

LAWS OF OHIO

Relating to

**BANKS, TRUST COMPANIES
SAFE DEPOSIT COMPANIES
DEPOSITARIES, LOAN
COMPANIES and DEALERS
IN SECURITIES**

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1915

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**Compiled under supervision of
Department of Banks, 1915.**

HARRY T. HALL
Superintendent

Ohio. Laws, statutes, etc.
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LAWS OF OHIO

Relating to the incorporation, examination
management, and conduct of

BANKS, TRUST COMPANIES
SAFE DEPOSIT COMPANIES
DEPOSITARIES, LOAN
COMPANIES and DEALERS
IN SECURITIES



COLUMBUS, OHIO:
THE F. J. HEER PRINTING CO.
1915

Bound at the State Bindery.

HG 2426

03 A4

1915

SUPERINTENDENT OF BANKS.

SECTION 710. The governor, with the advice and consent of the senate, shall appoint a superintendent of banks, who shall hold his office for the term of four years and until his successor is appointed and qualified. The superintendent may be removed by the governor at any time. (99 v. 287 Sec. 78.)

Superintendent of banks, appointment and term.

SECTION 711. The superintendent of banks shall execute the laws in relation to banking companies, savings banks, savings societies, societies for savings, savings and loan associations, savings and trust companies, safe deposit companies and trust companies and every other corporation or association having the power to receive, and receiving money on deposit, chartered or incorporated under the laws of this state. Nothing in this chapter contained shall apply to building and loan associations. (99 v. 287 Sec. 79.)

General duties.

SECTION 712. The superintendent of banks may employ from time to time necessary deputies, assistants, clerks and examiners to assist in the discharge of the duties imposed upon him by law. He may remove any such deputies, assistants, clerks or examiners. He shall summarily remove the deputy superintendent of banks, and any examiner, clerk or deputy connected with the department of the superintendent of banks upon the violation by any such officer, examiner or clerk of any of the provisions of section 717 of the General Code. (106 v. 360 Sec. 1.)

Deputies, clerks and examiners; appointment and removal.

SECTION 713. The superintendent of banks shall fix the salaries of the deputies, assistants, clerks and examiners at such rates per annum as the governor approves. Upon vouchers approved by the superintendent of banks, such salaries shall be paid monthly by the treasurer of state upon the warrant of the auditor of state. (101 v. 276 Sec. 1.)

Salaries of clerks and examiners.

SECTION 714. The actual and necessary, traveling expenses, within or without the state, of the superintendent of banks and of the deputies, assistants, clerks and examiners incurred in the discharge of their official duty or in the interest of the department, shall be paid monthly by the treasurer of state upon the warrant of the auditor of state. Provided, however, that the superintendent of banks or any employe of the department shall not attend, at state expense, outside of the state, the meetings or conference of any society, convention or association, except as provided by section 2313-3 of the General Code. Vouchers therefor shall be fully itemized, approved by the superintendent of banks and countersigned by the auditor of state. (106 v. 360 Sec. 1.)

Traveling expenses.

Expenses paid
from appro-
priation.

SECTION 715. All expenses incurred by the superintendent of banks in the performance of the duties imposed upon him by law, including the salary of such superintendent, his deputies, assistants, clerks and examiners, shall be paid from funds appropriated therefor. (101 v. 276 Sec. 1.)

Bonds of
Superintend-
ent, deputies,
assistants,
clerks and
examiners.

SECTION 716. Before entering upon the discharge of his duties, the superintendent of banks shall give bond to the state in the sum of fifty thousand dollars with sureties approved by the governor, conditioned for the faithful discharge of his official duties. Such bond, with the approval of the governor and the oath of office indorsed thereon, shall be filed with the secretary of state and kept in his office. The superintendent of banks shall require all deputies, assistants, clerks and examiners heretofore mentioned to give bond in such amount and with sureties to be approved by him and conditioned on the faithful performance of the duties of their office or employment. If the surety be a qualified surety company, the premium on such bond or bonds, including the bond of the superintendent of banks, shall be paid out of any fund or funds for the contingent expenses of the department. (106 v. 360 Sec. 1.)

Superintendent
nor examiners
shall be in-
terested in, or
borrow money
from banks.

SECTION 717. Neither the superintendent of banks nor the examiners appointed by him shall be interested directly or indirectly in any national banking association or in any bank or other corporation or association under their supervision, or be engaged in the business of banking. Neither the superintendent of banks, the deputy superintendent of banks, or any examiner, deputy or clerk connected with the department of the superintendent of banks shall directly or indirectly borrow money from any corporation, person or association under the supervision of the superintendent of banks. (103 v. 379 Sec. 12.)

Certificates
and copies;
evidence.

SECTION 718. Each certificate or other instrument executed or ordered made by the superintendent of banks in pursuance of authority conferred upon him by law, and sealed with the seal of his office or copies thereof duly authenticated under such seal, shall be received in evidence in all courts of the state. (99 v. 288 Sec. 89.)

Office.

SECTION 719. The superintendent of banks shall be furnished by the state suitable rooms at the seat of government for conducting the business of his office. (99 v. 288 Sec. 90.)

Official seal.

SECTION 31. The seal of the superintendent of banks shall be one and three-fourths inches in diameter and shall be surrounded by the words: "The superintendent of banks of the state of Ohio." (104 v. 175 Sec. 1.)

How proceed-
ings shall be
brought.

SECTION 732. All suits or proceedings brought by the superintendent of banks under authority of law, or to collect any penalty or forfeiture, shall be brought in the name of the state upon his relation, and shall be conducted under

the direction and supervision of the attorney general. (99 v. 291 Sec. 102.)

SECTION 733. Copies of all records and papers in the office of the superintendent of banks, certified by him and authenticated by his seal of office, shall be evidence in all cases equally and with like effect as the original. (99 v. 291 Sec. 103.)

Copies of records and papers evidence.

SECTION 2250. The salary of the superintendent of banks shall be five thousand dollars per annum. (106 v. 6.)

Salary of superintendent.

SECTION 2260. The salary of the superintendent of banks shall be payable semi-monthly. (65 v. 3 Sec. 1.)

When payable.

SECTION 743. At the end of each fiscal year, the superintendent of banks shall make an annual report to the governor, which report shall exhibit:

Annual report.

a. A summary of the state and condition of every incorporated bank, savings bank, savings and trust company, safe deposit and trust company, society for savings, savings society, or other corporation included within this chapter, from which reports have been received during the year, with an abstract of the whole amount of capital returned by them, the whole amount of their debts and liabilities, the total amount of means and resources, separating the reports of the various kinds of corporations, and specifying the amount of lawful money held by them at the time of their several returns, and such other information in relation to such banks, societies and associations as in his judgment may be required;

b. A statement of the banks, societies or associations whose business has been closed during the year, the amount of their resources and liabilities, and the amount paid to the creditors thereof;

c. The names and compensation of the deputies, assistants, clerks and examiners employed or appointed by him, and the whole amount of expenses of the banking department during the year;

d. The amount of fees and charges received from such banks, societies and associations, and penalties collected and paid into the state treasury.

e. A statement of the banks, societies or associations liquidated or in process of liquidation by the superintendent of banks, and the status of affairs of each of said banks, societies or associations at the time of said report, including the amount of their resources and liabilities and the nature of the same and the amounts paid the creditors. (101 v. 276 Sec. 1.)

EXAMINATIONS.

SECTION 720. In case a corporation, company, society or association requests the superintendent of banks to make a special examination under the provisions of this chapter,

Expenses of special examination.

the expenses thereof shall be paid by the corporation, company, society or association making the request. (99 v. 289 Sec. 92.)

Examination
upon request.

SECTION 721. When requested in writing upon the authority of the board of directors or the stockholders of any banking institution to make an examination of such bank, the superintendent of banks shall comply therewith, if in his opinion such examination is desirable. (99 v. 289 Sec. 93.)

Restrictions
as to com-
pensation.

SECTION 723. Neither the superintendent of banks nor any examiner, clerk or person employed in his office shall take or receive directly or indirectly compensation for services or extra services rendered in the banking department other than that allowed by law. (99 v. 289 Sec. 95.)

Annual
examination
of banks.

SECTION 724. At least once each year and as often as the superintendent of banks may deem necessary, and also when requested by the board of directors or trustees thereof, the superintendent of banks or an examiner appointed for that purpose shall thoroughly examine the cash, bills, collaterals or securities, books of account and affairs of each bank, savings bank, safe deposit and trust company, savings and loan society or association incorporated under any law in this state, or any person, partnership or association engaging in the business of receiving deposits. Provided, however, that this section shall not apply to building and loan associations. He shall also ascertain if any such person, partnership, corporation, company, society or association is conducting its business in the manner prescribed by law and at the place designated in its articles of incorporation, if incorporated. (106 v. 360 Sec. 1.)

Superintendent
or examiner
may admin-
ister oaths.

SECTION 725. For the purpose of such examination, the superintendent of banks or such examiner may administer oaths to and examine any officer, agent, clerk, customer, depositor or shareholder of such corporation, company, association or society touching its affairs and business. (99 v. 289 Sec. 96.)

May summon
witnesses.

SECTION 726. The superintendent of banks may summon in writing under his seal any such officer, agent, clerk, customer, depositor, shareholder or any person resident of the state to appear before him and testify in relation thereto. Whoever, being so summoned, neglects or fails to appear at the time and place specified in the summons, or, having appeared, refuses to be sworn or refuses to answer any pertinent and legal question, shall forfeit and pay one hundred dollars to be recovered with costs by the superintendent of banks and paid into the state treasury to the credit of the banking fund. (99 v. 290 Sec. 97.)

Proceedings
for refusal
to attend and
testify.

SECTION 727. If a person summoned to appear before the superintendent of banks and give testimony under the provisions of this chapter neglects or refuses to answer any pertinent or legal question that may be put to him by the

superintendent touching the matter under examination, the superintendent shall apply to the probate court or court of insolvency of the county in which such inquiry is conducted to issue a subpoena to such person to appear before him. (99 v. 290 Sec. 98.)

SECTION 728. Upon such application, the probate judge or judge of the court of insolvency shall issue a subpoena for the appearance of such person or persons forthwith before him to give testimony. Whoever, being so subpoenaed, fails to appear, or appearing, refuses to testify, shall be subject to like proceedings and penalties for contempt as witnesses in actions pending in the probate court or court of insolvency. (99 v. 290 Sec. 98.)

Penalty.

SECTION 729. The officers of any such corporation, company, society or association shall submit its books, papers and concerns to the inspection and examination of the superintendent of banks or any deputy, or duly appointed examiner, and on refusal so to do or to be examined on oath touching the affairs of such corporation, company, society or association, the superintendent of banks may forthwith take possession of the property and business of such corporation, company, society or association and liquidate its affairs and remain in possession of its property and business until its affairs be finally liquidated, as hereinafter provided. (101 v. 276 Sec. 1.)

Duty of officers as to inspection of books.

SECTION 730. Whenever it appears from the report of such corporation, company, society or association, or the superintendent of banks has reason to believe that its capital is impaired or reduced below the amount required by law, he shall make examination thereof and ascertain the facts. If he finds such impairment or reduction of capital, he shall require such corporation, company, society or association to make good such deficiency. (99 v. 291 Sec. 100.)

Deficiency to be made good.

SECTION 731. If such corporation, company, society or association refuses or fails after written notice to make good the deficiency appearing or found to exist, the superintendent of banks may forthwith take possession of the property and business of such corporation, company, society or association until its affairs be finally liquidated by him, as hereinafter provided. (101 v. 276 Sec. 1.)

Liquidation in case of insolvency.

SECTION 734. All examinations required to be made by the superintendent of banks under the provisions of this chapter shall be made without previous notice to the corporation, company, society or association to be examined. (99 v. 291 Sec. 104.)

Examinations shall be made without previous notice.

SECTION 735. When an examination is made at the special instance and request of such corporation, company, society, or association, the expense incurred and the services performed shall be paid by the one examined, and the

Expenses of special examination.

charges collected shall be paid into the state treasury by the superintendent of banks to the credit of the banking fund. (99 v. 291 Sec. 105.)

FEES TO BE PAID TO THE SUPERINTENDENT OF BANKS BY BANKING INSTITUTIONS.

Annual fees
to be paid
on or before
November 15.

SECTION 736. That for the purpose of maintaining the department of the superintendent of banks and the payment of expenses incident thereto, and especially the expenses of inspection and examination, the following fees shall be paid to the superintendent of banks of Ohio:

(a) Each company, firm, corporation, person, association and co-partnership which under the laws of Ohio is subject to inspection and examination by the superintendent of banks, shall pay to the superintendent of banks on or before the fifteenth day of November in each year the sum of twenty-five dollars, and in addition thereto one one-ninetieth of one per cent of the total aggregate resources of such company, firm, corporation, person, association or co-partnership in excess of one hundred thousand dollars as shown by the report of the condition of each such company, firm, corporation, person, association or co-partnership made last before October fifteenth of such year; provided, however, that in no event is such total fee to exceed the sum of twelve hundred and fifty dollars in any one year.

Initial
fee.

(b) Each company, firm, corporation, person, association and co-partnership desiring and intending to transact business in this state, which will be subject to inspection and examination by the superintendent of banks, shall pay to the superintendent of banks for the preliminary examination required by law to be made by the superintendent of banks a fee of thirty dollars, such fee to be paid before a certificate is granted to such company, firm, corporation, person, association or co-partnership, authorizing it to commence business in this state.

Foreign trust
companies.

(c) Each foreign trust company desiring and intending to do business in this state shall pay to the superintendent of banks a fee of fifty dollars for issuance to it of a certificate authorizing it to transact business in this state. Such fee to be paid before such certificate is issued (106 v. 360 Sec. 1.)

Penalty if not
paid on or be-
fore Nov. 15.

SECTION 736-1. Every company, firm, corporation, person, association or co-partnership which fails or neglects to pay the fee provided by paragraph "a" of section 1 of this act on or before the fifteenth day of November of each year shall be subject to a penalty of one hundred dollars for each day after said date that such fee remains unpaid. The superintendent of banks shall maintain an action against the delinquent company, firm, corporation, person, association or co-partnership in the common pleas court of Franklin county, Ohio, or of the county in which the business of such company, firm, corporation, person, association or co-

partnership is carried on, for the collection of such fee and the penalty herein imposed. (103 v. 180 Sec. 2.)

SECTION 736-2. The superintendent of banks shall pay all money received by him under the provisions of this act into the state treasury to the credit of the general revenue fund of the state. (103 v. 181 Sec. 3.)

All fees turned over to treasurer of state.

REPORTS.

SECTION 737. Not less than four times during each calendar year each banking company, savings bank, savings and trust company, safe deposit and trust company, society for savings, or savings society, chartered or incorporated under any law of this state, and every person or co-partnership doing a banking business shall make a report to the superintendent of banks. Such report shall be made at such times as required by the superintendent on forms prescribed and furnished by him, and, so far as possible, they shall be made on the same day on which reports are required from national banking associations by the comptroller of the currency. (99 v. 292 Sec. 108.)

Reports of banking companies to the superintendent of banks.

SECTION 738. Such reports shall be verified by the oath or affirmation of the president, vice-president, cashier, secretary or treasurer thereof, and shall exhibit in detail, and under appropriate heads, a true statement of the resources, assets and liabilities of such banking company, savings bank, society or association at the close of business of any past day by him specified, which day shall be the same for all corporations required to make such reports. (99 v. 292 Sec. 109.)

How reports shall be verified.

SECTION 739. Such reports shall be transmitted to the superintendent within ten days after the receipt of the request therefor from him, and shall be published in a newspaper in the city, town or county where the company is located, and, if there is none, then in a newspaper of general circulation in an adjoining county. A copy of such publication shall be furnished to the superintendent of banks. (99 v. 292 Sec. 110.)

Reports shall be published in newspapers.

SECTION 740. The superintendent of banks may call for special reports whenever in his judgment they are necessary to inform him fully of the conditions of any companies, societies and corporations, which reports shall be verified as provided by this chapter for other reports to the superintendent. (99 v. 292 Sec. 111.)

Special reports.

SECTION 741. Every company, corporation, society or association failing to make and transmit to the superintendent of banks any of the reports required by this chapter, or failing to publish the reports as required by law, shall forthwith be notified by the superintendent, and, if such failure continues for ten days after receipt of such notice, such delinquent company, society or association shall be subject

Penalty for failure to make reports.

to a penalty of one hundred dollars for each day after the time required for making such report. In case of delay or refusal to pay the penalty herein imposed for failure to make and transmit a report, the superintendent shall maintain an action against the delinquent company, society or association, for the recovery of such penalty, and all sums collected by such action or paid as such penalty shall be paid into the state treasury to the credit of the banking fund. (99 v. 292 Sec. 112.)

PRIVATE BANKS.

Const. Art. XIII, Sec. 3: (Last Paragraph.)

Constitution
of Ohio—1912.

* * * No corporation not organized under the laws of this state, or of the United States, or person, partnership or association shall use the word "bank," "banker" or "banking," or words of similar meaning in any foreign language, as a designation or name under which business may be conducted in this state unless such corporation, person, partnership or association shall submit to inspection, examination and regulation as may hereafter be provided by the laws of this state.

Use of word
bank, banking,
etc., prohibited
unless super-
vision sub-
mitted to.

SECTION 744-1. That no corporation not organized under the laws of this state, or of the United States, or person, partnership or association, shall use the word "bank" "banker" or "banking" or "trust" or "trust company", or words of similar meaning in any foreign language, as a designation or name under which business may be conducted in this state unless such corporation, person, partnership or association shall submit to inspection, examination and regulation, as provided in this act. The superintendent of banks shall execute all laws in relation to corporations organized under the laws of this state or of the United States, persons partnerships and associations using the word "bank", "banker" or "banking", or trust" or "trust company", or words of similar meaning in any foreign language as a designation or name under which business is conducted in this state. (103 v. 379 Sec. 1.)

Detailed state-
ment to be
filed with sec-
retary of state.

SECTION 744-2. Every corporation not organized under the laws of this state, or of the United States, or person, partnership or association using the word "bank", "banker" or "banking" or "trust" or "trust company" or words of similar meaning in any foreign language as a designation or name under which business may be conducted in this state, now transacting or hereafter desiring to transact a banking business in this state, shall, under oath file with the secretary of state a full, complete detailed statement of,

Information
to be filed.

1. Name of the bank or proposed bank.
2. A copy of the articles of co-partnership or agreement, under which the business of the bank is being or is to be conducted, which shall be executed and acknowledged by all of the parties interested therein, and at least one of whom shall be at all times a resident of the state of Ohio. If the banking business is being or is to be transacted or

carried on by an individual, such individual shall at all times, while engaged in such banking business, be a resident of the state of Ohio, and the statement herein required shall show such.

3. The county and city or village in which the bank is to be located, and the business carried on.

4. A statement of the responsibility and the net worth of the individual members of such corporation, person, partnership or association.

5. If not disclosed in the articles of co-partnership or agreement, then the name of the officers, agents or employes in active charge of the management of the business of the bank. Every such corporation, person, partnership or association now doing a banking business in this state shall on or before January 1, 1914, file with the secretary of state a detailed statement as provided herein. The secretary of state in filing said statements shall be governed by the provisions of sections 9705 and 9706 of the General Code of Ohio.

No such corporation, person, partnership or association shall transact business except such as is essential or necessarily preliminary to its organization until it has been authorized by the superintendent of banks.

In authorizing said banks to commence business and issuing a certificate to that effect, the superintendent of banks and such corporation, person, partnership or association shall be governed by the provisions of section 9720, 9721, 9722 and 9723 of the General Code. (103 v. 379 Sec. 2.)

SECTION 744-3. If upon examination of the facts which may come to the knowledge of the superintendent of banks, whether by means of a special commission appointed by him for the purpose of inquiring into the conditions of such applicants or otherwise, the superintendent of banks finds that such person or firm is lawfully entitled to commence business, he shall give a certificate under his hand and official seal that they or he have complied with the law, and are authorized to commence business. But the superintendent of banks may withhold such certificate when he has reason to believe that such person or firm has been formed for any other purpose than the legitimate business herein contemplated, or that the character and general fitness of the person or firm named in the application are not such as to command the confidence of the community in which such bank is proposed to be located, or that the public convenience and advantage will not be promoted by its establishment. If the superintendent of banks withholds a certificate for any of the reasons named in this section, an appeal may be made to a board composed of the governor, attorney general and superintendent of banks, whose decision shall be final. (103 v. 379 Sec. 3.)

Certificate of
authority to
commence
business.

When superintendent authorized to take possession of property and business of a corporation, person, etc., for purpose of liquidation.

SECTION 744-4. Upon becoming satisfied that a corporation not organized under the laws of this state, or of the United States, or person, partnership or association, using the word "bank", "banker", or "banking" or "trust" or "trust company", or words of similar meaning in any foreign language, as a designation or name under which business is conducted in this state, has refused to pay its depositors in accordance with the terms on which such deposits were received, or that such corporation, person, partnership, or association has become otherwise insolvent, or that it is conducting its business in an unsafe or unauthorized manner, or from any report or examination provided for by law, the superintendent shall have reason to conclude that such corporation, person, partnership or association is in an unsound or unsafe condition to transact the business for which it was organized, or that it is unsafe for it to continue business, the superintendent of banks forthwith may take possession of the property and the business of such corporation, person, partnership, or association, until its affairs be finally liquidated as provided by law. The superintendent of banks shall not take possession of the property and business of any such corporation, person, partnership or association which was doing business in this state prior to the time of the passage of this act for the failure to comply with the provisions of this act, as to transactions made prior to the passage of this act or renewals or settlements and adjustments of such transactions, where the examination provided for in this act discloses, or any such corporation, person, partnership, or association, shows to the satisfaction of the superintendent of banks, that the interests of its depositors, creditors and stockholders will not be endangered by permitting it to transact its regular business. (103 v. 379 Sec. 4.)

Posting of notice that bank is private bank.

SECTION 744-5. Every such corporation, person, partnership or association shall post in the room in which it transacts its business, and in plain view of its customers, a printed list of all the owners of, and parties interested in, such bank, and statement that the bank is a private bank. Should the interests of any members of such corporation, partnership or firm, or of an individual doing a banking business under the provisions of this act, change either by death, devise, sale or otherwise, then and in that case the superintendent of banks of the state of Ohio shall be notified of such change and notice printed and posted in the room of any such bank as herein provided. No such bank shall advertise by newspaper, letterhead, or in any other way, a larger capital than has been actually paid in. (103 v. 379 Sec. 5.)

Word "unincorporated" upon all advertising, stationery, etc.

SECTION 744-6. That all persons, partnerships or associations that shall engage in business under the purview of this act, shall have printed on all their advertising matter and business stationery, the word "unincorporated" immediately following the name of the firm or business title.

The depositors in any bank shall have first lien on the assets of such bank, in case it is wound up to the amount of their several deposits, and for any balance remaining unpaid, such depositors shall share in the general assets of the owner or owners alike with the general creditors. Every such corporation, person, partnership, or association shall keep as a reserve at least fifteen per cent of the total deposits; such reserve may be in lawful currency kept in the vaults of the bank, or may be invested in the securities named in the paragraphs b and c of section 9758, or the bonds of any city or county within this state, or kept subject to demand in other banks or trust companies designated by such bank with the approval of the superintendent of banks of Ohio. (103 v. 379 Sec. 6.)

Depositors shall have first lien upon all assets.

Reserve.

SECTION 744-7. That all reports received from persons, partnerships and associations engaged in, and all applications received from persons, partnerships or associations desiring to engage in business within the purview of this act, shall be kept on file in the office of the superintendent of banks, and open to the inspection of all persons, at the discretion of the superintendent of banks. (103 v. 379 Sec. 7.)

Reports filed in office of superintendent of banks.

SECTION 744-8. Upon the failure of any person, persons, partnership or association coming within the purview of this act, to comply with it in any particular, the superintendent of banks shall proceed at once to take charge of their affairs and proceed with their dissolution with full power and authority as provided for other cases in section 4 of this act. (103 v. 379 Sec. 8.)

Dissolution.

SECTION 744-9. Sections 720, 724, 725, 729, 734, 735, 737, 738, 740, 741, 742, 742-1, 742-2, 742-3, 742-4, 742-5, 742-6, 742-7, 742-8, 742-9, 742-10, 742-11, 742-12, 742-13, 742-14, 742-16 and 743 of the General Code of Ohio shall refer to and include every and all corporations not organized under the laws of this state or of the United States, persons, partnerships and associations using the word "bank", "banker" or "banking" or "trust" or "trust company" or words of similar meaning in any foreign language as a designation or name under which business is or may be conducted in this state, and every such corporation, person, partnership or association shall be governed by and shall conduct all their business and transactions as provided in said sections in the same manner as if such corporations, persons, partnerships or associations were specifically mentioned in each of said sections; and every such corporation, person, partnership or association shall do and perform all things required by each and all said sections, and the superintendent of banks shall have the power and authority over such corporations, persons, partnerships and associations, as is given to him over banking corporations in Ohio by said sections; and each and every other section of the General Code of Ohio providing for the inspection,

Sections of general code governing conduct and business of banking institutions, incorporated and private.

Private banks
not compelled
to publish
reports.

examination and regulation of banking corporations, except the provisions as to capital stock and the amount of loans and investments computed on the basis of capital stock, and except the provisions for the publication of reports, shall be held to apply to each and every such corporation, person, partnership or association so far as the said sections and parts of sections may be applicable. (103 v. 379 Sec. 9.)

Penalty for
certifying
check without
deposit suffi-
cient to
cover.

SECTION 744-10. Whoever, being connected with or serving, or being an officer, employe, agent or director of a corporation not organized under the laws of this state, or the United States, or person, partnership or association using the word "bank", "banker", or "banking" or "trust" or "trust company", or words of similar meaning in any foreign language as a designation or name under which business is conducted in this state, wilfully certifies a check drawn on such corporation, person, partnership or association and fails forthwith to charge the amount thereof against the account of the person, firm or corporation drawing it, or wilfully certifies a check drawn upon such corporation, person, partnership, or association, unless the person, firm or corporation drawing it has on deposit with such corporation, person, partnership or association an amount of money subject to the payment of such check and equal to the amount specified therein, or resorts to a device, receives a fictitious obligation in order to evade that provision of this section, or certifies a check before the amount thereof has been regularly entered to the credit of the drawer thereof upon the books of such corporation, person, partnership or association, shall be fined not more than five thousand dollars or imprisoned in the penitentiary not less than one year nor more than five years, or both. (103 v. 379 Sec. 10.)

Fine and im-
prisonment for
false certifi-
cation.

Penalty for
receiving or
permitting an
employe to re-
ceive deposits
when bank is
insolvent.

SECTION 744-11. Whoever, being connected with or serving, or being an officer, employe, agent or director, of a corporation not organized under the laws of this state, or of the United States, or person, partnership or association, using the word "bank", "banker" or "banking" or "trust" or "trust company" or words of similar meaning in any foreign language, as a designation or name under which business is conducted in this state, receives, or permits an employe to receive money, checks, drafts or other property as a deposit therein when he has knowledge that it is insolvent, or wilfully and fraudulently issues or puts forth a certificate of deposit, draws an order or a bill of exchange, makes an acceptance, assigns a note, bond, draft, bill of exchange, mortgage, judgment of decree, or makes a false entry in a book, report or statement of such corporation, person, partnership or association, or fictitiously borrows or solicits, obtains or receives money for said corporation, person, partnership or association not in good faith intended to be and not the property of such corporation, person, partnership or association, with intent to

Penalty for
false entry,
fraudulent
certificate of
deposit, etc.

defraud or injure such corporation, person, partnership or association, or another corporation, or person, or to deceive an officer of such corporation, person, partnership or association or an agent appointed to examine the affairs of such corporation, person, partnership or association, or publishes a false statement or report relating to the financial condition of such corporation, person, partnership or association, with intent to defraud or injure it or another corporation or person, shall be fined not more than five thousand dollars or imprisoned in the penitentiary for more than ten years, or both. (103 v. 379 Sec. 11.)

SECTION 744-12. That whenever any of the funds of the state, or any of the political subdivisions of the state, shall be deposited under any of the depository laws of the state, every corporation, person, partnership and association coming within the purview of this act shall be permitted to bid upon and be designated as depositories of such funds, upon furnishing such surety or securities therefor as is prescribed by the laws of the state of Ohio; provided, however, that there shall not be deposited with any such corporation, person, partnership, or association by any such political subdivision an amount in excess of five hundred thousand dollars. (106 v. 505 Sec. 1.)

Right to
bid for de-
posit of
public funds;
limitation of
amount.
July 1, 1914.

SECTION 744-13. This act shall go into effect July first, 1914, except that every corporation not organized under the laws of this state or of the United States, person, partnership or association, using the word "bank", "banker" or "banking" or "trust" or "trust company" or words of similar meaning in any foreign language, as a designation or name under which business is conducted in this state, shall, on and after September first, 1913, make reports to the superintendent of banks of Ohio in the manner and form as provided in sections 737, 738 and 741 of the General Code of Ohio which shall apply to and govern all such corporations, persons, partnership or associations; provided further that at any time after September first, 1913, the superintendent of banks of Ohio, when he has reason to believe from any report made by any such corporation, person, partnership or association, or otherwise, that such corporation, person, partnership or association is in a failing or insolvent condition he may make an examination of any such corporation, person, partnership or association as provided by section 730 of the General Code, and upon his finding any such corporation, person, partnership, or association to be insolvent or in a failing condition he may take charge of the same and proceed to liquidate its affairs as provided by law for the liquidation of banking corporations of this state; provided further than section 2 of this act shall go into effect on January first, 1914. (103 v. 379 Sec. 15.)

Private banks
must make
reports and be
subject to in-
spection on
and after
Sept. 1, 1913,
other provi-
sions effective

LIQUIDATION.

Possession by
superin-
tendent.

SECTION 742. Whenever in this act it is provided that the superintendent of banks may take possession of the property and business of any corporation, company, commercial bank, savings bank, safe deposit company, trust company, or any combination of two or more of such classes of business or society for savings, or banking association, doing business under the provisions of the banking laws of this state, to liquidate its affairs, the superintendent of banks shall take possession of and administer the assets of such company or association as herein provided. (101 v. 276 Sec. 1.)

Notice of
insolvency.

SECTION 742-1. Upon taking possession of the property and business of any such corporation, company, society, or association, the superintendent of banks shall forthwith give written notice of such fact to all banks, trust companies, associations and individuals holding or in possession of any assets of such corporation, company, society or association. No bank, trust company, association or individual knowing that the superintendent of banks has taken possession of such company or association, shall have a lien or charge for any payment advanced or any clearance thereafter made, or liability thereafter incurred against any of the assets of the corporation, company, society or association of whose property and business the superintendent of banks shall have taken possession. Such corporation, company, society or association may with the consent of the superintendent of banks, resume business upon such conditions as may be approved by him. (101 v. 276 Sec. 1.)

Administration
of trust.

SECTION 742-2. Upon taking possession of the property and business of such corporation, company, society or association, the superintendent of banks is authorized to collect money due to such corporation, company, society or association, and to do such other acts as are necessary to preserve its assets and business, and shall proceed to liquidate the affairs thereof, as hereinafter provided. The superintendent of banks shall collect all debts due and claims belonging to it, and upon the order of the common pleas court in and for the county in which the office of such corporation, company, society or association was located, may sell or compound all bad or doubtful debts, and on like order may sell all the real estate and personal property of such corporation, company, society or association, on such terms as the court shall direct; and the superintendent of banks upon the terms of sale or compromise directed by the court, shall execute and deliver to the purchaser of such real and personal property, such deeds or instruments as shall be necessary to evidence the passing of the title; and if said real estate is situated outside the county in which the office of the corporation, company, society or association, was located, a certified copy of such order author-

izing and ratifying said sale shall be filed in the office of the recorder of the county within which said property is situated; and may, if necessary to pay the debts of such corporation, company, society or association, enforce the individual liability, if any, of the stockholders. The superintendent of banks may under his hand and official seal appoint one or more special deputy superintendents of banks as agent or agents to assist him in the duty of liquidation and distribution, a certificate of appointment to be filed in the office of the superintendent of banks and a certified copy in the office of the clerk of the county in which the office of such corporation, company, society or association was located. The superintendent of banks shall require from such agent or agents such surety for the faithful discharge of their duties as he may deem proper. All bonds given shall be deposited with the secretary of state and kept in his office. (103 v. 528 Sec. 1.)

Superintendent may appoint special deputies to assist in liquidation.

SECTION 742-3. The superintendent of banks shall cause notice to be given by advertisement in such newspaper as he may direct weekly for two consecutive months, calling on all persons who may have claims against such corporation, company, society or association, to present the same to the superintendent of banks, and to make legal proof thereof at a place and within a time not later than the last day of publication to be therein specified. The superintendent of banks shall mail a similar notice to all persons whose names appear as creditors upon the books of the corporation, company, society or association. If the superintendent of banks doubts the justice and validity of any claim, he may reject the same and serve notice of such rejection upon the claimants, either by mail or personally, and affidavit of the service of such notice, which shall be prima facie evidence thereof, shall be filed in his office. An action upon a claim so rejected must be brought within six months after such service. Claims presented and allowed after the expiration of the time fixed in the notice to creditors, shall be entitled to be paid the amount of all prior dividends therein if there be funds sufficient therefor and share in the distribution of the remaining assets in the hands of the superintendent of banks equitably applicable thereto. (106 v. 360 Sec. 1.)

Notice to creditors.

SECTION 742-4. The expenses incurred by the superintendent of banks in the liquidation of any bank in accordance with the provisions of this act, shall include the expenses of deputies or assistants, clerks and examiners employed in such liquidation, together with reasonable attorney fees for counsel employed by said superintendent of banks in the course of such liquidation. Such compensation of counsel, of deputies or assistants, clerks and examiners in the liquidation of any corporation, company, society or association, and all expenses of supervision and liquidation shall be fixed by the superintendent of banks, subject to the approval of the common pleas court of the county in which

Expenses of liquidation; how paid.

the office of such corporation, company, society or association was located on notice to such corporation, company, society or association. The expense of such liquidation shall be paid out of the property of such corporation, company, society or association in the hands of said superintendent of banks, and such expenses shall be a valid charge against the property in the hands of said superintendent of banks and shall be paid first, in the order of priority. Provided, however, that no such expense shall be paid out of the property of such person, partnership, corporation, company, society or association until an account of such expense shall have been filed with and approved by the common pleas court of the county in which such person, partnership, corporation, company, society or association is located. Provided, also, that the superintendent of banks shall give notice, by publication of the application for the approval of such expense account, in a newspaper of general circulation in the community in which such person, partnership, corporation, company, society or association is located at least ten days before such court shall pass upon such application. (106 v. 360 Sec. 1.)

Inventory
to be made
in triplicate.

SECTION 742-5. Upon taking possession of the property and assets of such person, partnership, corporation, company, society or association, the superintendent of banks shall make an inventory of the assets of such person, partnership, corporation, company, society or association in triplicate,—one to be filed in the office of the superintendent of banks, one in the office of the clerk of the county in which the office of such person, partnership, corporation, company, society or association was located, and one with the auditor of state. It shall be the duty of the auditor of state to have such inventory immediately verified by comparison with the current books of the bank. Upon the expiration of the time fixed for the presentation of claims, the superintendent of banks shall make in triplicate a full and complete list of the claims presented, including and specifying such claims as have been rejected by him, of which one shall be filed in the office of the superintendent of banks, one in the office of the clerk of the county in which the office of such corporation, company, society or association was located, and one with the auditor of state. And the superintendent of banks shall in like manner make and file supplemental lists showing all claims presented subsequent to the filing of the first list,—such supplemental lists to be filed at least fifteen days before the declaration of any dividend, and in any event such supplemental lists shall be filed at intervals of not exceeding six months. Such inventory and list of claims shall be open at all reasonable times for inspection. (106 v. 360 Sec. 1.)

Deposit of
funds col-
lected.

SECTION 742-6. The moneys collected by the superintendent of banks shall be from time to time deposited in one or more state banks of deposit, savings banks, or

trust companies, subject to his order as herein provided.
(101 v. 276 Sec. 1.)

SECTION 742-7. At any time after the expiration of the date fixed for the presentation of claims, the superintendent of banks may, out of the funds remaining in his hands after the payment of expenses, declare one or more dividends, and after the expiration of one year from the first publication of notice to creditors, he may declare a final dividend,—such dividends to be paid to such persons and in such amounts and upon such notice as may be directed by the common pleas court of the county in which the office of such corporation, company, society or association was located. (101 v. 276 Sec. 1.)

Dividends;
when and
how declared.

SECTION 742-8. Objection to any claim not rejected by the superintendent of banks may be made by any party interested by filing a copy of such objection with the superintendent of banks, who shall present the same to the common pleas court of the county in which the office of such corporation, company, society, or association was located; upon written notice to the party filing the same, said notice setting forth the time and place of the presentation. The court upon return day of said notice shall hear the objections raised to said claim, or refer the determination of said objections to a referee for report, or upon demand of either the superintendent of banks or the party filing the objections direct that the issues be tried before a jury. The court may make proper provision for unproved and unclaimed deposits. (101 v. 276 Sec. 1.)

Rejected
claims.

SECTION 742-9. Whenever any such person, partnership, corporation, company, society or association of whose property and business the superintendent of banks has taken possession, as aforesaid, deems itself aggrieved thereby, it may at any time within thirty days after taking such possession apply to the common pleas court of the county in which the office of such corporation, company, society or association was located, to enjoin further proceedings, and said court, after citing the superintendent of banks to show cause why further proceedings should not be enjoined and hearing the allegation and proofs of the parties and determining the facts, may, upon the merits, dismiss such application or enjoin the superintendent of banks from further proceedings, and direct him to surrender such business and property to such person, partnership, corporation, company, society or association. (106 v. 360 Sec. 1.)

Application
to enjoin
proceedings;
hearing;
decree.

SECTION 742-10. No receiver shall be appointed by any court, nor shall any deed of assignment for the benefit of creditors be filed in any probate court or court of insolvency, within this state, for any incorporated bank, savings bank, savings and trust company, safe deposit and trust company, society for savings, savings society, or any combination of same doing business under the laws of this

Institution
may appoint
receiver upon
authority of
court.

state except upon notice to the superintendent of banks, unless in case of urgent necessity it becomes in the judgment of the court necessary so to do in order to preserve the assets of such corporation, company, society or association. The superintendent of banks may within five days after the service of such notice upon him take possession of such corporation, company, society or association, in which case no further proceedings shall be had upon such application for the appointment of receiver or under such deed of assignment, or, if a receiver has been appointed or such assignee shall have entered upon the administration of his trust, such appointment shall be vacated or such assignee shall be removed upon application of the superintendent of banks to the proper court therefor, and the superintendent of banks shall proceed in all such cases to administer the assets of such corporation, company, society or association as herein provided. (101 v. 276 Sec. 1.)

Liquidation
by superin-
tendent.

SECTION 742-11. Whenever the superintendent of banks shall have paid to each depositor and creditor of such corporation, company, society or association (not including stockholders) whose claim or claims as such depositor or creditor shall have been duly proved and allowed, the full amount of such claims, and shall have made proper provision for unclaimed or unpaid deposits or dividends, and shall have paid all the expenses of the liquidation, the superintendent of banks shall call a meeting of the stockholders of such corporation, company, society or association, by giving notice thereof for thirty days in one or more newspapers published in the county wherein the office of such corporation, company, society or association was located. (101 v. 276 Sec. 1.)

Final liquida-
tion by super-
intendent.

SECTION 742-12. At such meeting the stockholders shall determine whether the superintendent of banks shall continue to administer its assets and wind up the affairs of such corporation, company, society or association, or whether an agent or agents shall be elected for that purpose; and in so determining the said stockholders shall vote by ballot in person, or by proxy, each share entitling the holder to one vote and the majority of the stock shall be necessary to a determination. In case it is determined to continue the liquidation under the superintendent of banks, he shall complete the liquidation of the affairs of such corporation, company, society or association, and after paying the expenses thereof shall distribute the proceeds among the stockholders in proportion to the several holdings of stock, in such manner and upon such notice as may be directed by the common pleas court of the county in which the office of such corporation, company, society or association was located. (101 v. 276 Sec. 1.)

SECTION 742-13. In case it is determined to appoint an agent or agents to liquidate, the stockholders shall thereupon select such agent or agents by ballot,—a majority of the stock present and voting, in person or by proxy, being necessary to a choice. Such agent or agents shall file with the superintendent of banks a bond to the state of Ohio in such amount and with such sureties as shall be approved by the superintendent of banks for the faithful performance of all the duties of his or their trust, and thereupon the superintendent of banks shall transfer to such agent or agents all the undivided or uncollected or other assets of such corporation, company, society or association then remaining in his hands; and upon such transfer and delivery the said superintendent of banks shall be discharged from all further liability to such corporation, company, society or association and its creditors. (101 v. 276 Sec. 1.)

Final liquidation by agent; discharge of superintendent.

SECTION 742-14. Such agent or agents shall convert the assets coming into his or their possession into cash, and shall account for and make distribution of the property of such corporation, company, society or association as herein provided in the case of distribution by the superintendent of banks, except that the expenses thereof shall be subject to the direction and control of the common pleas court of the county in which the office of such corporation, company, society or association was located. (101 v. 276 Sec. 1.)

Distribution of remaining assets by agent.

SECTION 742-15. In case of death or removal or refusal to act of any such agent, or agents, the stockholders may elect a successor as hereinbefore provided who shall have the same powers and be subject to the same liabilities and duties as the agent, or agents, originally elected. (101 v. 276 Sec. 1.)

Inability of agent to act.

SECTION 742-16. Dividends and unclaimed deposits remaining in the hands of the superintendent of banks for six months after the order for final distribution shall be by him deposited with the treasurer of state who shall hold such funds as custodian, subject to the order of the superintendent of banks and without the necessity of appropriation by the General Assembly. The superintendent of banks may pay over the moneys so held by him to the persons respectively entitled thereto, upon being furnished satisfactory evidence of their right to the same. In cases of doubt or conflicting claims he may apply to the common pleas court of the county in which the office of such person, partnership, corporation, company, society or association was located for an order authorizing and directing the payment thereof. All unclaimed deposits and uncalled for dividends for which no claim has been made within a period of five years, after the order for final distribution, shall be paid into the state treasury upon the warrant of the auditor of state. (106 v. 360, Sec. 1.)

Final distribution by superintendent.

Possession
and liquida-
tion; reasons
for.

SECTION 9749. On becoming satisfied that a corporation has refused to pay its depositors in accordance with the terms on which such deposits were received (if received under the provisions of this chapter. (Chap. 2, Div. V., Title IX), or that such corporation has become otherwise insolvent, or that its capital has been impaired for a period of ninety days, or is conducting its business in an unsafe or unauthorized manner, or if from any examination or report provided for by this chapter the superintendent shall have reason to conclude that such corporation is in an unsound or unsafe condition to transact the business for which it was organized, or that it is unsafe for it to continue business, the superintendent of banks forthwith may take possession of the property and business of such corporation until its affairs be finally liquidated, as herein provided. The superintendent of banks shall not take possession of the property and business of any such corporation which was incorporated under the laws of this state and transacting business at the time of the passage of this act for failure to comply with the provisions of this act, as to transactions made prior to the passage of this act or renewals or settlements and adjustments of such transactions, where the examinations provided for in this act disclose, or any such corporation shows to the satisfaction of such superintendent of banks, that the interest of its depositors, creditors and stockholders will not be endangered by permitting it to continue to transact its regular business. (101 v. 276 Sec. 1.)

Notice of ap-
pointment.

SECTION 9750. Notice of the appointment of such receiver shall be given by advertisement in some newspaper published in the city, village or county where such corporation is located, for six consecutive weeks, calling upon all persons who have claims against it to present them to such receiver, and make legal proof thereof. (99 v. 278 Sec. 42.)

Voluntary
liquidation.

SECTION 9747. A corporation organized under this chapter, may go into liquidation and be closed by the vote of its stockholders owning two-thirds of its stock in number and amount. When a vote to go into liquidation is taken, the board of directors shall cause notice of such fact to be certified under seal of the corporation, by its president and secretary, treasurer or cashier, to the superintendent of banks, and publication thereof to be made for a period of four weeks in a newspaper published in the city, village or county in which the corporation is located, that it is closing up its affairs, and notifying creditors to present their claims against the corporation for payment. (99 v. 277 Sec. 39.)

ORGANIZATION AND MANAGEMENT OF BANKS IN GENERAL.

Const. XIII, Sec. 3:

Dues from private corporations shall be secured by such means as may be prescribed by law, but in no case shall any stockholder be individually liable otherwise than for the unpaid stock owned by him or her; except that stockholders of corporations authorized to receive money on deposit shall be held individually responsible, equally and ratably, and not one for another, for all contracts, debts and engagements of such corporation, to the extent of the amount of their stock therein, at the par value thereof, in addition to the amount invested in such shares. * * *

Double liability of stockholders constitution 1912.

CHAP 2, DIV. V, TITLE IX, GENERAL CODE.

SECTION 9702. Any number of persons, not less than five, a majority of whom are citizens of this state, may associate and become incorporated to establish a commercial bank, a savings bank, a safe deposit company, a trust company, or to establish a company having departments for two or more, or all of such classes of business, upon the terms and conditions and subject to the limitations herein-after and by law prescribed. (99 v. 269 Sec. 1.)

Incorporation of banks.

SECTION 9703. Such persons shall subscribe and acknowledge before an officer authorized to take acknowledgments of deeds, articles of incorporation, the form of which shall be prescribed by the secretary of state, which must contain:

Articles of incorporation.

a. The name by which such corporation is to be known, which shall begin with the word "The" and end with the word "bank" or "company".

b. The place where its business is to be transacted, designating the particular city, village or township.

c. The purpose for which it is formed, whether that of a commercial bank, savings bank, safe deposit company, trust company, or a combination of two or more or all, of such classes of business.

d. The amount of its capital, which shall be divided into shares of one hundred dollars each. (102 v. 171 Sec. 1.)

SECTION 9704. * The capital stock of a commercial bank shall not be less than twenty-five thousand dollars; of a savings bank, not less than twenty-five thousand dollars; of a commercial bank and savings bank, not less than twenty-five thousand dollars; of a safe deposit company, not less than twenty-five thousand dollars; of a commercial bank and safe deposit company, not less than twenty-five thousand dollars; of a savings bank commercial bank and safe deposit company, not less than fifty thousand dollars; of a trust company, not less than one hundred thousand dollars; of a trust company and safe deposit company, not less than one hundred thousand dollars; of a trust com-

Capital stock.

pany and savings bank, not less than one hundred thousand dollars; of a trust company, savings bank and safe deposit company, not less than one hundred and twenty-five thousand dollars; and of a trust company, savings bank, commercial bank and safe deposit company, not less than one hundred and twenty-five thousand dollars. (99 v. 269 Sec. 2.)

Certificate of clerk of court.

SECTION 9705. The official character of the officer before whom the acknowledgment of articles of incorporation is made, shall be certified by the clerk of court of common pleas of the county in which the acknowledgment is taken and the articles shall be filed in the office of the secretary of state. If they are in conformity to law, the secretary of state shall record them, and furnish one certified copy thereof to the incorporators of such corporation, and another certified copy to the superintendent of banks, to be by him filed in his office. (99 v. 269 Sec. 3.)

Duties of secretary of state.

SECTION 9706. The secretary of state shall not file or record any such articles of incorporation in which the name of the corporation is likely to mislead the public as to the character or purpose of the business authorized by its charter, or is the same as one already adopted or appropriated by an existing corporation of this state, or so similar thereto as to be likely to mislead the public, unless the place of business of such company is to be located in a county other than the one in which the corporation bearing such similar name is then doing business, and the corporation so adopting such name adds thereto the words "of " (indicating thereby the name of the city, village or township in which its principal place of business is situated). (99 v. 269 Sec. 3.)

Certified copy of articles.

SECTION 9707. A copy of such articles of incorporation, duly certified by the secretary of state, shall be prima facie evidence of the existence of such corporation; and all certificates thereafter filed in the office of the secretary of state relating to such corporation shall be recorded. (99 v. 269 Sec. 3.)

Enumeration of powers.

SECTION 9708. Upon such filing of the articles of incorporation, the persons who subscribe them, their associates, successors, and assigns, by the name designated therein, shall become a body corporate with succession, and, as such, shall have power:

a. To adopt and use a corporate seal, and to alter it at pleasure.

b. To contract and be contracted with;

c. To sue and be sued;

d. To adopt regulations for the government of the corporation, not inconsistent with the constitution and laws of this state;

e. To do all needful acts, to carry into effect the objects for which it was created. (99 v. 270 Sec. 4.)

SECTION 9709. Regulations of the corporation may be adopted or changed by the assent thereto, in writing, of two-thirds of the stockholders, in number and amount or by a majority of the stockholders, in number and amount, at a meeting held for that purpose, notice of which has been given for that purpose by the president or secretary or any two directors personally or by written notice to each stockholder, or by publication, for thirty days, in some newspaper of general circulation in the county in which the corporation is located. (99 v. 270 Sec. 4.)

Regulations,
how adopted.

SECTION 9710. The persons named in the articles of incorporation of any such company, or a majority of them, shall order books to be opened for subscription to the capital stock of the company in the manner provided for other corporations. An installment of ten per cent. on each share of stock shall be payable at the time of making the subscription, and an installment of forty per cent. on each share of stock shall be payable as soon thereafter as may be required by the board of directors, the remaining fifty per cent. being payable in the manner hereinafter required. (99 v. 270 Sec. 5.)

Opening of
subscription
books.

SECTION 9711. As soon as the capital stock of such corporation is fully subscribed and ten per cent. thereof paid in, the subscribers of the articles of incorporation, or a majority of them, shall so certify in writing to the secretary of state, and thereupon give notice to the stockholders, in the manner provided for other corporations, to meet for the purpose of choosing not less than five nor more than thirty directors, who shall continue in office until the time fixed for the annual election, and until their successors are elected and qualified. But if all subscribers are present in person or by proxy, such notice may be waived in writing. (102 v. 171 Sec. 1.)

Certificate of
subscription.

SECTION 9712. At the time and place appointed, directors shall be chosen in the manner provided for other corporations. (99 v. 271 Sec. 7.)

Directors.

SECTION 9713. Unless the regulations of the corporation otherwise provide an annual election for directors shall be held on the second Wednesday of January of each year. If for any cause, directors are not elected at the annual meeting, or other meeting called for that purpose, they may be chosen in the manner provided for other corporations. (99 v. 271 Sec. 8.)

Annual
elections.

SECTION 9714. In all other respects, such corporation shall be created, organized, governed and conducted in the manner provided by law for other corporations in so far as not inconsistent with the provisions of this chapter. (99 v. 271 Sec. 9.)

General pro-
visions; when
applicable.

Authorization
of superin-
tendent.

SECTION 9715. No such corporation shall transact business except such as is incidental and necessarily preliminary to its organization, until it has been authorized by the superintendent of banks. (99 v. 271 Sec. 10.)

Monthly in-
stallments on
capital stock.

SECTION 9716. The entire capital stock of such corporation shall be subscribed and at least fifty per cent. of each share paid in before it may be authorized to commence business. The remainder of its capital stock shall be paid in in monthly installments of at least ten per cent. each on the whole amount of the capital, payable at end of each succeeding month from the time it is authorized by the superintendent of banks to commence business. The payment of each installment shall be certified under oath to the superintendent of banks by the president, secretary, treasurer, or cashier of such corporation. (102 v. 171 Sec. 1.)

Failure to pay
installments;
sale of stock.

SECTION 9717. When a stockholder or his assigns fails to pay an installment on his stock, as required by the preceding section to be paid, or for thirty days thereafter, the directors for such company may sell his stock at public sale for not less than the amount due thereon, including costs incurred, to the person who will pay the highest price therefor, having first given the delinquent stockholder twenty days' notice of such sale personally, or if no personal notification can be given, then by mail at his last known address as appears from the corporate record, and having advertised the sale for a like period in a paper of general circulation within the county in which the corporation is located. If no bidder can be found who will pay for such stock the amount due thereon, with costs incurred, such stock shall be sold as the directors order, within six months for not less than the amount then due thereon with all costs of sale. (99 v. 271 Sec. 12.)

Surplus from
sale.

SECTION 9718. Upon a sale of stock, any surplus over the amount due thereon to such corporation, with interest and costs incurred, shall be paid over to the original stockholder, or his assigns. (99 v. 272 Sec. 13.)

Superin-
tendent may
take pos-
session.

SECTION 9719. If the cancellation of the stock of any delinquent holder reduces the capital of the corporation below the minimum required by law, the capital of such corporation shall be increased by additional subscription to the minimum required by law, within sixty days from the date of such cancellation; in default of which the superintendent of banks may forthwith take possession of the property and business of such corporation until its affairs be finally liquidated, as herein provided. (101 v. 276 Sec. 1.)

SECTION 9720. When a certificate is transmitted to the superintendent of banks, signed by the president, secretary, or treasurer of such corporation, notifying him that the entire capital stock of such corporation is subscribed, that fifty per cent. thereof has been duly paid in, and that such corporation has complied with all the provisions of law required to be done before it can be authorized to commence business, the superintendent of banks shall examine into its affairs, ascertain especially the amount of money paid in on account of its capital, the name and place of residence of each director, the amount of capital stock of which each is the owner in good faith, and whether such corporation has complied with all the provisions of law required to entitle it to engage in business. (99 v. 272 Sec. 15.)

Preliminary
examination
by superin-
tendent.

SECTION 9721. If upon such examination of the facts referred to in section 9720, and of any other facts which may come to the knowledge of the superintendent of banks, whether by means of a special commission appointed by him for the purpose of inquiring into the condition of such corporation or otherwise, the superintendent of banks finds that such corporation is lawfully entitled to commence business, he shall give it a certificate under his hand and official seal that it has complied with all of the provisions required by law, and is authorized to commence business. But the superintendent may withhold such certificate when he has reason to believe that the stockholders have formed such corporation for any other purpose than the legitimate business herein contemplated, or that the character and general fitness of the persons named as stockholders in the certificate are not such as to command the confidence of the community in which such bank is proposed to be located, or that the public convenience and advantage will not be promoted by its establishment. If the superintendent of banks withholds a certificate for any of the reasons named in this section an appeal may be made to a board composed of the governor, attorney general and superintendent of banks whose decision shall be final. (102 v. 171 Sec. 1.)

Certificate
of superin-
tendent.

SECTION 9722. The corporation shall cause such certificate to be published in some newspaper printed in the city, village or county where it is located, once a week for four successive weeks or if no newspaper is published in such county, then in a newspaper published at the nearest county seat. (99 v. 272 Sec. 17.)

Publication
of certificate.

SECTION 9723. Hereafter, all corporations incorporated as commercial banks, savings banks, savings societies, societies for savings, savings and loan associations, safe deposit companies, trust companies, and savings and trust companies, or a corporation having departments for two or more, or all of such classes of business, shall be incorporated and organized with a capital stock, and under the provisions of this chapter. The secretary of state shall not

Duty as to
filing articles.

file or record articles of incorporation for such a corporation, unless in accordance therewith. (99 v. 272 Sec. 18.)

Transfers
of stock.

SECTION 9724. The shares of stock of such corporation shall be deemed personal property and shall be transferred on its books in such manner as the regulations and by-laws of the corporation direct. (99 v. 273 Sec. 19.)

Increase of
capital stock.

SECTION 9725. A corporation doing business under the provisions of this chapter, may increase its capital stock as provided for other corporations. In case of such increase, the board of directors first shall offer such additional stock pro rata to all stockholders of record at such price, not less than par, as they deem best for the interest of the corporation. Shares remaining unsold then may be sold to any person on the same or better terms. (99 v. 273 Sec. 20.)

Reduction of
capital stock.

SECTION 9726. Such a corporation may reduce the amount of its capital stock in the manner provided for other corporations, but notice of such reduction shall be published in a newspaper of general circulation in the city, village or county, in which it is doing business. No reduction shall be made to an amount less than the minimum amount of capital stock required for such corporation, nor shall such reduction be valid or warrant the cancellation of stock certificates until it has been approved by the superintendent of banks. Such approval shall not be given except upon a finding by him that the security of existing creditors of the corporation will not be impaired. (99 v. 273 Sec. 21.)

Monthly
meetings.

SECTION 9727. The corporate powers, business and property of corporations formed under this chapter, shall be exercised, conducted and controlled by the board of directors, which shall meet at least once each month. Such board shall consist of not less than five or more than thirty directors, to be chosen by the stockholders, and hold office for one year and until their successors are elected and qualified. (99 v. 273 Sec. 22.)

Executive
committee.

SECTION 9728. The board of directors may appoint an executive committee to consist of at least three of its members, with such duties and powers as are defined by the regulations or by-laws who shall serve until their successors are appointed. Such executive committee shall meet as often as the board of directors require, which shall not be less frequently than once each month, and approve or disapprove all loans and investments. All loans and investments shall be made under such rules and regulations as the board of directors prescribe. (99 v. 273 Sec. 23.)

Minutes of
executive
committee.

SECTION 9729. Minutes shall be kept of the meetings of such executive committee, including records of loans and investments, to be submitted to the board of directors for approval at each meeting. The minutes and records of such

committee shall be kept on file. No loan shall be made, directly or indirectly, to an officer, or member of the executive committee of such a corporation, unless duly authorized by a majority of the members of the board of directors. Such authorization shall be recorded on the records of their proceedings, and all loans when so authorized and made to officers, or members of the executive committee shall be made and secured in the same manner as loans to other persons. (99 v. 273 Sec. 23.)

SECTION 9730. In elections of directors, and in deciding questions at meetings of stockholders, each stockholder shall be entitled to one vote for each share of stock held by him. Any stockholder also may vote by proxy duly authorized in writing. (99 v. 274 Sec. 24.) Elections.

SECTION 9731. Every director must be the owner and holder of at least five shares of stock in his own name and right, unpledged and unincumbered in any way, and at least three-fourths of the directors must be residents of this state. (99 v. 274 Sec. 25.) Directors; regulations.

SECTION 9732. Every director shall take and subscribe an oath that he will diligently and honestly perform his duties in such office, not knowingly violate, or permit to be violated, any provisions of this chapter, and that he is the owner in good faith of the number of shares of stock of the company required to qualify him for such office, standing in his own name, on its books. (99 v. 274 Sec. 26.) Oath of directors.

SECTION 9733. Any vacancy in the board of directors may be filled by the board for the unexpired term. (99 v. 274 Sec. 27.) Vacancy.

SECTION 9734. The officers of such corporation, before entering upon the discharge of their duties, shall give bond to the corporation in the amount required by the directors and with surety to be approved by them, for their fidelity and good conduct and for the safe keeping and proper application of the funds of the corporation and of such moneys and other property as many be placed in their charge. The directors may require an increase of the amount of such bonds whenever they deem it necessary. The directors as such shall not be required to give bond. (99 v. 274 Sec. 28.) Bond of officers.

SECTION 9735. The board of directors of such corporation may declare a dividend of so much of its net profits as they deem expedient. Before such dividend is declared, not less than one-tenth of the net profits of the company for the preceding half-year, or for such period as is covered by the dividend, shall be carried to a surplus fund until such fund amounts to twenty per cent. of its capital stock. Declaring dividends, 20% surplus fund.

Net profits.
How
ascertained.

In order to ascertain the net profits from which such a dividend may be made, in the amount of profit and loss there shall be charged and deducted from the actual profits:

(1) All ordinary and extraordinary expenses, paid or incurred, in managing the affairs and transacting the business of the corporation.

(2) Interest paid or then due, on debts which it owes.

(3) All taxes due.

(4) All losses sustained by the corporation. In computing its losses, debts owing to it which have become due and which are not in process of collection and on which interest for one year or more is due and unpaid, unless same are well secured, and debts upon which judgment was recovered, but has been more than two years unsatisfied, and on which also for said period of two years, no interest was paid, unless same are well secured, shall be included. (103 v. 270 Sec. 1.)

Annual ex-
amination.

SECTION 9736. A committee of at least two directors or stockholders annually shall be appointed by the board of directors to thoroughly examine, or to superintend the examination of, the assets and liabilities of the corporation, and to report to the board of directors the result of such examination. A copy thereof attested and verified under oath by the signatures of a majority of such committee forthwith shall be filed with the superintendent of banks. (99 v. 274 Sec. 30.)

How stock as-
signed or
transferred.

SECTION 9737. The stockholders of such a corporation may provide and determine the conditions upon which shares of its stock shall be assignable and transferable, and such shares shall be assignable and transferable only according to rules and regulations and upon conditions such as the stockholders for that purpose make and establish. (99 v. 275 Sec. 34.)

Record of
stockholders.

SECTION 9738. A book shall be provided and kept by every such corporation, in which shall be entered the name and residence of each stockholder, the number of shares held by each, the time when each person became a stockholder; also, all transfers of stock, stating the time when made, the number of shares and by whom transferred, which book shall be subject to the inspection of the directors, officers and stockholders of the corporation at all times during the usual hours of transacting business. (99 v. 275 Sec. 34.)

Banks here-
tofore incor-
porated.

SECTION 9739. Banks, savings banks, savings societies, societies for savings, savings and loan associations, safe deposit companies, trust companies, savings and trust companies, and combinations of any two or more of such corporations, heretofore incorporated under any law of this state, may continue business and the exercise of powers

they now have without prejudice to any rights acquired under the acts under which they were incorporated; and there shall be saved to such associations and corporations all the rights, privileges and powers heretofore conferred upon them. (99 v. 275 Sec. 35.)

SECTION 9740. A corporation formed to combine two or more classes of business under this chapter, shall keep separate books of accounts for each class. Receipts, investments and transactions relating to each of such classes of business shall be governed by the provisions and restrictions herein specifically provided therefor. (99 v. 275 Sec. 35.)

Separate
books for
each class
of business.

SECTION 9741. Banks, savings banks, savings societies, societies for savings, savings and loan associations, safe deposit companies, trust companies, savings and trust companies, and combinations of any two or more of such corporations, heretofore incorporated in this state which have paid in the amount of capital stock required by this chapter to enable them to commence business, if they so elect, may avail themselves of the privileges and powers herein conferred, by signifying such election and declaration under their seal, attested by the signature of the president and secretary, to the secretary of state and the superintendent of banks, which such secretary shall record, and his certificate be evidence thereof. When such election and declaration is so recorded, it shall confer all the privileges and powers conferred by this chapter, and from that time such association or corporation shall be governed by its provisions. (99 v. 276 Sec. 36.)

How banks
heretofore
organized to
be governed.

SECTION 9742. Such election and declaration shall be made only when authorized by a vote of at least two-thirds of the capital stock at a meeting of stockholders, thirty days' notice of which meeting, and of the business to come before it, has been given by a majority of the directors in a newspaper published and of general circulation in the county where such association or corporation has its principal place of business. But after April 1, 1910, every such corporation or association in all respects must conform its business and transactions to the provisions of this chapter. (99 v. 276 Sec. 36.)

Declaration of
acceptance.

SECTION 9743. When a corporation which has adopted the provisions of this chapter, or a corporation hereafter incorporated desires to enlarge the objects or purposes for which it was formed, so as to combine one or more of the different classes of business herein authorized with that for which it is already incorporated, or desires to diminish the objects or purposes for which it was formed, or desires to modify such objects in any other respect, it may do so by amendments to its articles of incorporation in the manner provided for other corporations. (99 v. 276 Sec. 36.)

Amendments.

Investments
heretofore
made.

SECTION 9744. Nothing in this chapter shall affect the legality of investments heretofore made, or of transactions heretofore had, but the superintendent of banks may require the change of investments for those named herein, as it can be done by the sale or redemption of securities so invested in, in such manner as to prevent loss or injury to the bank. No renewal or extension of such a loan or investment shall be made by such a corporation unless it be approved by the superintendent of banks. (99 v. 276 Sec. 37.)

Advertisement
of capital
prohibition.

SECTION 9745. It shall be unlawful for a commercial bank, savings bank, safe deposit company, trust company, or combination of any two or more of such incorporations, or any other corporation governed by the provisions of this chapter, to advertise by newspaper, letter head, or in any other way, a larger capital than actually has been paid in. (99 v. 277 Sec. 38.)

Penalty.

SECTION 9746. A corporation violating the provisions of the preceding section, shall forfeit and pay to the state of Ohio five hundred dollars for each and every such offense, to be recovered with costs of suit in an action, to be prosecuted by the superintendent of banks, before any court of competent jurisdiction in the county wherein it is located. All moneys collected for penalties under this section shall be paid into the state treasury, to the credit of the banking department fund. Two or more violations of the provisions of such section may be joined in the same prosecution. (99 v. 277 Sec. 38.)

Consolidation.

SECTION 9748. A corporation which in good faith is winding up its business for the purpose of consolidating with another may transfer its assets and liabilities to the corporation with which it is in process of consolidation. No such consolidation in any way shall affect the rights of creditors in the collection of their claims against such corporations or either of them. (99 v. 277 Sec. 40.)

Manner of
consolidation.

SECTION 9752. Any corporation doing business under this chapter may consolidate with another, also doing business under this chapter, in the manner provided by law for the consolidation of savings and loan associations and safe deposit and trust companies. (99 v. 278 Sec. 45.)

State. Use
of word
restricted.

SECTION 9752-1. It shall be unlawful for any bank not organized or transacting business under the provisions of Part Second, Title 7, Division 5, Chapter 2, of the General Code, and all persons, corporations, firms or partnerships doing the business of bankers, brokers or savings institutions, not organized or transacting business under the provisions of this chapter, to use the word "State" as a portion of the name or title of such bank, corporation, firm, or partnership. (102 v. 56.)

SECTION 9752-2. Any violation of the provisions contained in the preceding section shall subject the party chargeable therewith to a penalty of fifty dollars for each day during which it is committed or repeated, to be recovered with costs of suit in an action, to be prosecuted by the Superintendent of Banks, before any court having jurisdiction of such bank or of such person, corporation, firm or partnership. All moneys collected for penalties under this section shall be paid into the state treasury, to the credit of the banking department fund. (102 v. 56.)

COMMERCIAL BANKS.

SECTION 9753. A commercial bank may purchase, lease, hold and convey real estate only as follows:

What real estate may be held.

a. Real estate whereon is erected or may be erected a building or buildings useful for the convenient transaction of its business, and from portions of which, not required for its use, a revenue may be derived; but the cost of such building or buildings and the real estate whereon they are erected, in no case shall exceed sixty per cent. of its paid-in capital and surplus:

b. Such as is mortgaged or conveyed to it in good faith by way of security for loans made by or money due to such corporation;

c. Such as has been purchased by it at sales upon the foreclosure of mortgages owned by it, or on judgments or decrees obtained or rendered for debts due to it, or in settlements effected to secure such debts. All real property referred to in this paragraph shall be sold by such corporation within five years after it vested therein, unless upon application by the board of directors, the superintendent of banks extends the time within which such sales shall be made;

d. Such corporation also shall have power by lease to acquire a suitable building for the convenient transaction of its business, and from portions of which, not needed for its own use, a revenue may be derived. (99 v. 279 Sec. 46.)

SECTION 9754. A bank doing business as a commercial bank, shall not lend, including overdrafts, to any one person, firm or corporation, more than twenty per cent. of its paid-in capital and surplus, unless such loan be secured by first mortgage upon improved farm property in a sum not to exceed sixty per cent. of its value. The total liabilities, including overdrafts, of a person, company, corporation, or firm to any bank, either as principal debtor or as security or indorser for others, for money borrowed, at no time shall exceed twenty per cent. of its paid-in capital stock and surplus. But the discount of bills of exchange drawn against actually existing values, and the discount of commercial or business paper actually owned by the person, company, corporation or firm negotiating it, shall not be considered as money borrowed. (99 v. 279 Sec. 47.)

Loan to one person limited.

Unauthorized
deposits
deemed
loans.

SECTION 9755. The deposits of funds in a bank or trust company, not duly designated as a depository by the board of directors as hereinafter provided, shall be held to be a loan within the meaning of the preceding section. (99 v. 279 Sec. 47.)

General reso-
lution as to
real estate.

SECTION 9756. Loans by a commercial bank upon mortgage or other forms of real estate security, shall not be made until after the adoption of a general resolution by a two-thirds vote of the board of directors, stating to what extent its officers may loan on real estate. The aggregate amount of such loans shall not exceed fifty per cent. of the capital, surplus and deposits of such corporation, except that, if a bank combines the business of a commercial and savings bank, it may lend up to sixty per cent. of its capital stock, surplus and deposits upon real estate security, after the adoption of a general resolution authorizing it by two-thirds vote of the board of directors. Such loans shall be upon real estate, situated in this state, or in states immediately adjacent thereto, and inclusive of prior incumbrances shall not exceed forty per cent. of the value of such real estate, if unimproved, and if it is improved, sixty per cent. of its value. The improvement shall be kept adequately insured. (99 v. 279 Sec. 48.)

Powers.

SECTION 9757. A commercial bank may receive deposits on which interest may be allowed. All deposits in such banks shall be payable on demand without notice, except when the contract of deposit otherwise provides. A commercial bank also may loan money on personal security, discount, buy, sell or assign promissory notes, drafts, bills of exchange, and other evidences of debt, and buy and sell exchange, coin and bullion. (99 v. 280 Sec. 49.)

Investment of
capital, sur-
plus and de-
posits.

SECTION 9758. Subject to the provisions of the preceding section commercial banks may invest their capital, surplus and deposits in, or loan them upon:

- a. Personal or collateral securities.
- b. Bonds or other interest-bearing obligations of the United States, or those for which the faith of the United States is pledged to provide payment of the interest and principal, including bonds of the District of Columbia; also in bonds or other interest-bearing obligations of any foreign government.
- c. Bonds of interest-bearing obligations of this or any other state of the United States.
- d. The legally issued bonds or interest-bearing obligations of any city, village, county, township, school district or other district, or political subdivision of this or any other state or territory of the United States and of Canada.
- e. Mortgage bonds or collateral trust bonds of any regularly incorporated company, which has paid, for at

least four years, dividends at the rate of at least four per cent. on their capital stock. Such loan shall not exceed eighty per cent. of the market or actual value of such bonds, the purchase of which first has been authorized by the directors. All such securities having a fixed maturity shall be charged and entered upon the books of the bank at their cost to the bank, or at par, when a premium is paid, and the superintendent of banks shall have the power to require any security to be charged down to such sum as in his judgment represents its value. The superintendent of banks may order that any such securities which he deems undesirable be sold within six months.

f. Notes secured by mortgage on real estate, where the amount loaned thereon inclusive of prior incumbrances does not exceed forty per cent. of the value of the real estate if unimproved, and if improved sixty per cent. of its value, including improvements, which shall be kept adequately insured. Not more than fifty per cent. of the amount of the paid in capital, surplus and deposits of such bank at any time shall be invested in such real estate securities. (102 v. 173 Sec. 1.)

SECTION 9759. Commercial banks shall keep as re-
 serve at least fifteen per cent. of their total deposits, at
 least six per cent. of that part of such deposits which is
 payable on demand, and at least four per cent. of that
 part of such deposits which are time deposits shall be kept
 in the vaults of the bank in lawful money, national bank
 notes or bills, notes, and gold or silver certificates issued
 by the United States. That part of such reserve not so
 kept, shall be kept, subject to demand, in other banks or
 trust companies, designated by resolution of the board of
 directors for that purpose, a copy of which upon its adop-
 tion, shall be forthwith certified to the superintendent of
 banks, and the depository thus designated shall be subject
 to the approval of the superintendent of banks.

Reserve
fund.

If the superintendent of banks withholds his approval, appeal may be made to a board to be composed of the governor, the attorney general and the superintendent of banks, whose decision shall be final. (102 v. 173 Sec. 1.)

SECTION 9760. When the reserve of a commercial bank falls below the amount required by the preceding section, it shall not make new loans or discounts, otherwise than by discounting or purchasing bills of exchange, payable at sight or on demand, nor make dividends of its profits, until the reserve required by law is restored. The superintendent of banks shall notify any bank whose reserve falls below the amount required, immediately to make such reserve good. In case the bank fails for thirty days thereafter to make good its reserve, the superintendent of banks may forthwith take possession of the property and business of such commercial bank until its affairs be finally liquidated, as herein provided. (101 v. 284 Sec. 1.)

Restoring of
reserve fund.

Purchase of
own stock.

SECTION 9761. No commercial bank, savings bank, safe deposit company or trust company shall loan money on the security or pledge of the shares of its capital stock; nor be the purchaser or holder of any such shares, unless such security or purchase be necessary to prevent loss upon a debt previously contracted in good faith. Stock so acquired, shall within six months from the time of its purchase, be sold or disposed of at public sale on thirty days' notice from the superintendent of banks, and in default thereof the superintendent of banks may forthwith take possession of the property and business of such corporation until its affairs be finally liquidated, as herein provided. (101 v. 284 Sec. 1.)

SAVINGS BANKS.

What real
estate may
be held.

SECTION 9762. A savings bank may purchase, lease, hold and convey real estate for the purposes and in the manner herein before provided as to commercial banks, and subject to like restrictions and limitations. (99 v. 281 Sec. 54.)

Deposits, rate
of interest.

SECTION 9763. A saving bank may receive on deposit any sum of money offered for that purpose by any person, firm, society or corporation, or by any municipal corporation, township, school district, county or state, or other body politic, or which is ordered to be deposited by any court of this or any other state, or of the United States, having custody of money, and make investments thereof in the manner provided herein. It also may credit and pay such rates of interest thereon as may be agreed upon. (99 v. 281 Sec. 55.)

Reserve
fund.

SECTION 9764. Savings banks shall keep as reserve at least ten per cent of their time deposits, and at least fifteen per cent of their demand deposits; at least six per cent of that part of such deposits which is payable on demand, and at least two per cent of that part of such deposits which are time deposits shall be kept in the vaults of the bank in lawful money, national bank notes, or bills, notes, and gold or silver certificates issued by the United States; not more than three-tenths of such reserve for time deposits may be invested in the securities named in paragraphs "b" and "c" of section 9758 of the General Code or the bonds of any city or county within this state; that part of such reserve not so kept or invested, shall be kept, subject to demand in other banks or trust companies, as designated by resolution of the board of directors for that purpose, a copy of which, upon its adoption, shall be forthwith certified to the superintendent of banks and the depository thus designated shall be subject to the approval of the superintendent of banks. If the superintendent of banks withholds his approval, appeal may be made in the manner provided in section 9759 of the General Code. (104 v. 185 Sec. 4)

SECTION 9765. A savings bank may invest the residue of its funds in, or loan money on, discount, buy, sell or assign promissory notes, drafts, bills of exchange and other evidences of debt and also invest its capital, surplus and deposits in, and buy and sell the following:

Investments.

a. The securities mentioned in section ninety-seven hundred and fifty-eight, subject to the limitations and restrictions therein contained, except that savings banks may loan not more than seventy-five per cent of the amount of the paid-in capital, surplus and deposits on notes secured by mortgage on real estate. But all loans made upon personal security shall be upon notes with two or more signers or one or more indorsers, payable and to be paid at a time not exceeding six months from the date thereof. In the aggregate, not exceeding thirty per cent. of the capital, surplus and deposits of a savings bank shall be so invested.

b. Stocks, which have paid dividends for five consecutive years next prior to the investment, bonds, and promissory notes of corporations, when this is authorized by an affirmative vote of a majority of the board of directors or by the executive committee of such savings bank. No purchase or investment shall be made in the stock of any other corporation organized or doing business under the provisions of this chapter. The superintendent of banks may order any such securities which he deems undesirable to be sold within six months.

c. Promissory notes of individuals, firms or corporations, when secured by a sufficient pledge of collateral approved by the directors, subject to the provisions of sections ninety-seven hundred and fifty four and ninety-seven hundred and fifty-five. (99 v. 282 Sec. 57.)

SECTION 9766. When the reserve of any savings bank falls below the amount required, it shall be governed by the provisions of section ninety-seven hundred and sixty. (99 v. 282 Sec. 58.)

Decrease of reserve fund.

SECTION 9767. The board of directors shall prescribe the terms on which deposits shall be received and paid out, and the mode of transacting, managing and conducting the affairs and business of the bank. (99 v. 283 Sec. 59.)

Terms governing deposits.

SECTION 9768. A pass book shall be issued to each depositor in the savings department, containing the rules and regulations adopted by the board of directors governing such deposits, in which shall be entered each deposit made, the interest allowed thereon, and each payment made to each depositor. By accepting such book the depositor assents and agrees to the rules and regulations therein contained. (99 v. 283 Sec. 60.)

Pass books.

SECTION 9769. No payment or check against any savings bank account shall be made or paid unless accompanied by and entered in the pass book issued therefor, except for good cause and on assurance satisfactory to the officers of

Payment of checks.

the bank; but nothing herein shall prevent savings banks issuing time certificates of deposit or certificates for deposit specially issued according to the rules and regulations governing savings deposits. (99 v. 283 Sec. 61.)

Provisions as to minors.

SECTION 9770. When an account is opened in a savings bank by a minor it shall be payable to such minor, and payment to him shall be as valid as if he were of legal age. (99 v. 283 Sec. 62.)

Limit to liability of any one person.

SECTION 9771. The total liabilities, including overdrafts of any person, company, corporation, or firm to a savings bank, either as principal debtor or as security or indorser for others, for money borrowed, at no time shall exceed twenty per cent. of the paid up capital and surplus of such corporation. But the discount of bills of exchange drawn against actually existing values, and the discount of commercial or business paper actually owned by the person, company, corporation or firm negotiating it shall not be considered as money borrowed. (99 v. 283 Sec. 63.)

Savings societies organized under act of 1867 may continue business under General Code.

SECTION 9810. Associations incorporated under the act entitled "an act to incorporate savings societies," passed April 16, 1867, and the act passed March 19, 1868, entitled "an act to amend an act entitled, 'an act to incorporate savings societies', passed April 16, 1867," may continue their business under such acts, and without prejudice to any rights acquired. Such institutions and other savings and loan institutions organized under the laws of this state, if they so elect may continue their business under this chapter, (Tit. IX Div. V, Chap. 3) by signifying such election, under their seal, to the secretary of state, and conforming their action thereto. The secretary shall record it, and his certificate be evidence thereof. (R. S. Sec. 3811.)

May invest their funds in county or municipal bonds and charge 8% interest on loans.

SECTION 9811. Savings societies organized and doing business under the Acts named in the preceding section, in addition to the investments authorized in such acts, may invest their funds in the bonds of a county or municipal corporation issued in pursuance of any law of this state, and charge interest on loans of not more than eight per cent. payable semi-annually. (R. S. Sec. 3812.)

May invest in land or buildings.

SECTION 9812. Societies for savings, duly incorporated by the General Assembly, and doing business under their respective acts of incorporation, may invest in land, and in the erection of buildings thereon, for the purpose of their own business, such sum as the trustees thereof deem necessary, not to exceed five per cent of the amount of the deposits held by them and also rent any part of such buildings not needed for their own use. (R. S. Sec. 3813.)

May invest in steamship first mortgage bonds.

SECTION 9813. Savings societies, and savings and loan associations organized, or doing business under the laws of this state, in addition to the powers heretofore conferred upon such corporations in addition to the investments here-

inbefore authorized, may loan and invest the funds, moneys and property owned or received by such companies respectively, and to the respective amounts to which they are limited in other loans and investments, in legally authorized first mortgage bonds of steamship companies. Such mortgage shall be upon steel steamships, or steamships for the carriage of freight, or package, freight and passengers combined upon the great lakes and connecting waters, of at least five thousand tons carrying capacity, each. Such bonds shall be issued at the time of the completion and enrollment of the steamship or steamships, or within five years thereafter. The mortgage by express terms shall state that at least ten per cent. of the total issue of such bonds shall be retired, annually, beginning within two years from the date thereof, and the mortgage liability against such property shall not exceed one-half of its actual cost. The terms of such mortgage and the duties of the trustees thereof shall be the same as is provided in section 9823 and 9824. (R. S. Sec. 3821aa.)

At least 10% must be retired annually.

SECTION 9814. Before a dividend, or interest on deposits, is paid by such societies, they must have a surplus fund equal to not less than five per cent. of the whole amount of deposits, and gradually increase such fund to an amount equal to ten per cent. of the amount of deposits. R. S. Sec. 3815.)

Must have surplus fund equal to 5% of deposits.

SECTION 9815. All "societies for savings" and "savings societies" now doing business, whose charters are subject to alteration or repeal, may continue their business under their respective charters, after the expiration thereof, subject, however, to the repeal of any such charter, and to such amendments, alterations, rules, and regulations as may be prescribed, from time to time, by any laws of the state. (R. S. Sec. 3814.)

May continue business under old charter.

SAFE DEPOSIT COMPANIES.

SECTION 9772. A safe deposit company may purchase, lease, hold and convey real estate whereon is erected or may be erected a building or buildings useful for the convenient transaction of its business, including fire and burglar proof vaults and safes, and from portions of which, not required for its own use, a revenue may be derived. The cost of such buildings and the real estate whereon they are erected in no case shall exceed fifty per cent. of the paid-up capital and surplus of the corporation. Any sum not so invested in buildings and real estate may be invested in the manner provided herein for the investment of the funds of savings banks. (99 v. 283 Sec. 65.)

What real estate may be held.

SECTION 9773. A safe deposit company may receive property of every kind for safe keeping, collect and disburse the interest or income or principal of securities on such terms as are agreed upon, and also act as agent, for

Powers to act as agent.

the purpose of registering, countersigning or transferring the certificates of stock, bonds or other evidence of indebtedness of any corporation, association, municipality, state or public authority, on such terms as are agreed upon. (99 v. 283 .Sec. 65.)

Powers of
safe deposit
and trust
companies.

SECTION 9816. Safe deposit and trust companies by lease or purchase may provide a proper and secure fireproof building or buildings and fire and burglar proof vaults, or safes, receive on deposit for safe keeping, government securities, stocks, bonds, coins, jewelry, plate, valuable books, papers, documents and other property of every kind, collect and disburse the interest or income upon such property received on deposit as produces interest on income, and collect and disburse the principal of such of the property as produces interest or income when it becomes due, upon terms prescribed by such company so receiving the property. (R. S. Sec. 3821a.)

May act
as agent
or trustee.

SECTION 9817. Such companies also may act as agent or trustee for the purpose of registering, countersigning or transferring the certificates of stock, bonds, or other evidences of indebtedness of a corporation, association, municipality, state or public authority, upon such terms as are agreed upon. (R. S. Sec. 3821a.)

Courts may
order money
deposited with
company.

SECTION 9818. Any court in this state, including probate courts, may by order, decree or otherwise, direct moneys or properties under its control, or paid into court by parties to an action or legal proceedings, or which are brought into court by reason of an order, judgment or decree, in equity or otherwise, to be deposited with a safe-deposit and trust company, by such court designated, upon terms, and subject to such instructions as are expedient. But such company shall not be required to assume or execute a trust without its own consent. (R. S. Sec. 3821a.)

May receive
money or
property held
in trust.

SECTION 9819. Such companies also may receive and hold moneys, or property in trust, or on deposit from executors, administrators, assignees, guardians, trustees, corporations or individuals upon such terms and conditions as may be agreed upon between the parties. (R. S. Sec. 3821a.)

How trust
money loaned
or invested.

SECTION 9820. All moneys or properties received in trust by such companies, unless by the terms of the trust some other mode of investment is prescribed, together with the capital of the company, shall be loaned on or invested only in the authorized loans of the United States,, or of the State of Ohio, or cities, counties, or villages of this state, or the stocks or bonds of any state in the Union that for five years previous to such investment being made, regularly has paid the interest on its legal bonded debt in lawful money of the United States, or cities, counties or villages of such states, which so paid the interest on their legal

bonded debts, or stocks of national banks organized within this state, or the first mortgage bonds of a railroad company within the states above named, which earned and paid regular dividends on its stock for five years next preceding such loan, or investment, or first mortgages on real estate in this state or of individuals with a sufficient pledge of any of such securities, or they may be loaned to this state, or to a county, city or village therein. (R. S. Sec. 3821a.)

SECTION 9821. No loan shall be made, directly or indirectly, to an officer, employe, or trustee of such a company, and not more than ten per cent of its capital may be invested in one security or loan, except in providing a building and vaults. Real estate not needed by such companies for the transaction of their business, which is acquired by foreclosure of mortgage or by levy of execution, shall be offered for sale, and if practicable be sold within two years after it is so acquired. (R. S. Sec. 3821a.)

Limit on
loans or
investments.

SECTION 9822. Safe deposit and trust companies organized, or doing business under the laws of this state, in addition to the powers heretofore conferred upon such corporations, in addition to the investments hereinbefore authorized, may loan and invest the funds, moneys and property owned or received by such companies respectively and to the respective amounts to which they are limited in other loans and investments, in legally authorized first mortgage bonds of steamship companies. Such mortgage shall be upon steel steamships or steamships for the carriage of freight, or package, freight and passengers combined upon the great lakes and connecting waters, of at least five thousand tons carrying capacity, each. Such bonds shall be issued at the time of the completion and enrollment of the steamship or steamships, or within five years thereafter. The mortgage by express terms shall state that at least ten per cent of the total issue of such bonds shall be retired, annually, beginning within two years from the date thereof, and the mortgage liability against such property shall not exceed one-half of its actual cost. (R. S. Sec. 3821aa.)

Investments in
first mortgage
bonds of
steamship
companies.

SECTION 9823. The terms of such mortgage shall specifically state that the mortgagor shall not suffer any steamships so mortgaged to be indebted at any time in an amount in the aggregate exceeding five per cent of its actual cost, and that the failure of the mortgagor forthwith to procure the release of mechanics', laborers', admiralty, statutory or other liens, claims or charges against such steamship, shall constitute a default in the provisions of the mortgage. (R. S. Sec. 3821aa.)

Terms of the
mortgage.

SECTION 9824. The trustees of such mortgage shall be required to protect such lien by attending to the recording thereof, and causing the property covered to be insured against all risks on vessel property ordinarily covered by

Insurance of
property
mortgaged.

such insurance, including marine risks and disasters general and particular average, collision, liability, protection and indemnity insurance, and insurance against liability for injuries to persons in insurance companies, and under forms of policies approved by the trustees for an amount equal to the full insurance value of such steamship or steamships. Such insurance shall be made with loss payable to the trustee and the policies deposited with him. (R. S. Sec. 3821aa.)

Accounts of trust money to be kept separate.

SECTION 9825. All money or property held in trust shall constitute a deposit in the trust department, and the accounts thereof shall be kept separate, and such funds and the investment or loans of them be especially appropriated to the security and payment of all such deposits, and not subject to other liabilities of the company. (R. S. Sec. 3821b.)

Trust department.

SECTION 9826. For the purpose of securing the observance of the preceding section, such companies shall have a trust department in which all business pertaining to such trust property shall be kept separate and distinct from its general business. (R. S. Sec. 3821b.)

Must maintain reserve of fifteen per cent.

SECTION 9827. Such a company shall keep on hand in lawful money of the United States as a reserve, an amount equal to fifteen per cent of all deposits, payable on demand or within ten days. When such reserve is below such per cent of such deposits, the company shall not make new loans, nor pay a dividend of its profits until the required proportion between the aggregate amount of its deposits and reserve is restored. But clearing house certificates representing specie or lawful money specially deposited in the vault of such company or the United States sub-treasury for the purpose of a clearing house association of which it is a member, may be recorded as a part not exceeding one-third of such reserve, if one other third of such fifteen per cent consists of bonds of the United States or this state, the absolute property of the company, and the remaining third of such fifteen per cent is in lawful money of the United States. (R. S. Sec. 3821b.)

May be appointed trustee.

SECTION 9828. Such company may be appointed trustee under any will or instrument creating a trust for the care and management of property, under the circumstances, in the manner, and subject to the control by the court having jurisdiction thereof, as in the case of a legally qualified person. (R. S. Sec. 3821b.)

Capital held as security.

SECTION 9829. The capital stock of such company, with the liabilities of the stockholders existing thereunder, shall be held as security for the faithful discharge of the duties undertaken by virtue of the foregoing and following provisions, and surety shall be required upon the bonds filed by the company, as in other cases. (R. S. Sec. 3821b.)

SECTION 9830. In proceedings in the probate court, or elsewhere, connected with any authority exercised under such provisions, all accounts, returns and other papers may be signed and sworn to in behalf of such company by an officer thereof duly authorized by it. The answers and examination under oath, of such officer, shall be received as the answers and examination of the company. The court may order and compel any of its officers to answer and attend such examinations as if they were parties to the proceedings or inquiry, instead of such company. Such a company shall not be required to receive or hold property or moneys, or to execute a trust contrary to its own desire. (R. S. Sec. 3821b.)

How papers
executed.

SECTION 9831. In the management of money and property held by it as trustee, under the powers conferred by law, such company shall invest such money and property in a general trust fund of the company. But it shall be competent for the authority making the appointment, upon conferring it to direct whether such money and property shall be held separately or invested in a general trust fund of the company. The company always shall follow and be entirely governed by the directions contained in any will or instrument under which it acts. (R. S. Sec. 3821b.)

How money
held in trust
invested.

SECTION 9832. No money, property or securities received or held by such a company under the provisions of law establishing a trust department, shall be mingled with the investments of the capital stock or other moneys or property belonging to it, or be liable for its debts or obligations. (R. S. Sec. 3821b.)

Trust money
not mingled
or held for
debts.

SECTION 9833. Each stockholder of such company shall be held individually liable for all contracts, debts and engagements thereof, to the extent of unpaid dues on the shares of stock by him or her owned. (Const. Art. XIII, p 3; R. S. Sec. 3821b.)

Liability of
stockholders.

SECTION 9834. Within six months after the incorporation of such company, its trustees must notify the auditor of state of the date of the organization. Within ten days after the annual meeting thereof in each year, under oath, such trustees shall make a complete statement of the condition of the company, in which they shall specify the different kinds of its liabilities, and assets, stating the amount of each kind, which statement shall be filed with the auditor of state, and published in his annual report. The trustees also shall publish it in a newspaper of general circulation in the county in which the principal office of the company is located. (R. S. Sec. 3821.)

Trustees must
notify auditor
of organiza-
tion.

SECTION 9835. Such auditor, at any time, through an expert appointed by him, may make a full examination of the affairs and condition of every such company. (R. S. Sec. 3821b.)

Auditor may
examine
affairs at
any time.

By-laws;
dividends.

SECTION 9836. By their by-laws, as often as they deem proper, the trustees of such company may make and declare dividends of its profits after paying its expenses and setting aside the reserve hereinbefore required, and such other amount as they deem advisable wherewith to meet any contingency in its business. The dividends authorized herein shall be payable to the shareholders within twenty days after the time they are so declared. (R. S. Sec. 3821b.)

Stock to be
paid up.

SECTION 9837. No such company shall begin business until all of its authorized capital has been paid up in cash. (R. S. Sec. 3821b.)

Increase of
capital stock.

SECTION 9838. A safe deposit and trust company may increase its capital stock as provided by sections eighty-six hundred and ninety-eight and eighty-six hundred and ninety-nine with respect to corporations for profit, and in case of such increase, either by preferred or common stock, its board of directors may sell such increase, or additional stock, at such price, not less than par, as they deem best and to the company's interest. (R. S. Sec. 3821b.)

Assignment
and transfer
of stock.

SECTION 9839. The stockholders of such company may provide and determine conditions upon which its shares of stock shall be assignable and transferable, and they shall be assignable and transferable according to the rules, regulations, and on such conditions as the stockholders for that purpose make and establish, and not otherwise. (R. S. Sec. 3821b.)

Loans and
investments
in stock.

SECTION 9840. Any safe deposit and trust company duly organized and exclusively engaged in the business of a safe deposit and trust company, may loan or invest moneys or properties received in trust by it together with its capital, in the following securities, in addition to those now authorized by law: The stocks of gas light and coke companies, gas companies, gas and electric light companies, or stocks of street railway companies which have paid regular dividends thereon for five years next preceding such loan or investment, and are located in the county in which such safe deposit and trust company is located, or in which it has its principal office. (R. S. Sec. 3821g.)

Limit of
investment
or loan.

SECTION 9841. But no investment of moneys or properties held in trust by such company, or investment of any part of its capital shall be made in the stock of a gas light and coke company, gas company, gas and electric light company, or street railway company, unless authorized by its board of directors by resolution entered upon its minutes. Not more than ten per cent. of the capital of a safe deposit and trust company shall be invested or loaned in any one security or loan. (R. S. Sec. 3821g.)

COMBINATION OR CONSOLIDATION OF SAFE DEPOSIT AND TRUST COMPANIES, AND SAVINGS AND LOAN ASSOCIATIONS.

SECTION 9842. Any company now incorporated under the laws of this state, as a savings and loan association, with a paid up capital stock of not less than two hundred thousand dollars, and doing business in Ohio, or any company heretofore so organized as a safe deposit and trust company, also may engage in business as a safe deposit and trust company, under and in accordance with the provisions governing safe deposit and trust companies. (R. S. Sec. 3821gg.)

What companies may exercise powers of safe deposit and trust companies.

SECTION 9843. But no such company shall engage in business as a safe deposit and trust company, until the holders of at least two-thirds in amount, of its capital stock vote in favor of so doing, at a meeting of the stockholders called for the purpose of considering that question. If such stockholders vote in favor of a resolution to engage in business as a safe deposit and trust company, as provided herein, the president and secretary of such corporation shall make a certificate under its seal, showing the action of the stockholders, the number of shares voted in favor of the proposition, and file it in the office of the secretary of state. Thereupon such corporation shall possess the powers, and be subject to the regulations, obligations, liabilities and conditions which safe deposit and trust companies have and are subject to, under the law of their creation. (R. S. Sec. 3821gg.)

Consent of stockholders; certificate.

SECTION 9844. Any corporation organized to exercise the powers granted to savings and loan associations or to safe deposit and trust companies, when not less than one-fourth of the capital stock of each is held by the same persons, and their boards of directors, or trustees are composed in whole or in part of the same persons, may consolidate themselves into a single corporation under a name and on such terms as is approved by not less than two-thirds of the stockholders of each company. (95 v. 531 P. 1.)

Consolidation of companies.

SECTION 9845. The proceedings to effect such consolidation shall be the same as those provided by law for the consolidation of railroad companies. (95 v. 531 P. 2.)

Proceedings.

SECTION 9846. When the agreement of consolidation is so made and perfected and it or a copy thereof, is filed in the office of the secretary of state, the companies, parties thereto, shall be held and taken to be one company possessing all the rights, privileges, powers and franchises of the several companies, but subject to the provisions of law relating to the different branches of business of such new

Status of companies after consolidation.

company, as though conducted by separate companies. (95 v. 531 P. 3.)

Officers; title
to property.

SECTION 9847. The directors and other officers named in the agreement of consolidation shall serve until the first annual election, the time for which shall be named in the agreement. On filing such agreement or of such copy, all and singular the property, and rights of every kind of the several companies shall thereby be transferred to and vested in such new company, and be as fully its property as they were of the companies parties to such agreement. (95 v. 531 P. 4.)

Right of
creditors.

SECTION 9848. The rights of creditors shall be preserved unimpaired and the respective companies deemed to be in existence to preserve them. Debts, liabilities and duties of either of such companies thenceforth shall attach to the new company and be enforced against it as if they had been contracted by it. (95 v. 531 P. 4.)

When fees
need not be
paid.

SECTION 9849. When the articles of the constituent companies are filed at the same time, by the same incorporators, and the capital stock named in the agreement of consolidation does not exceed the sum of the capital stocks of the constituent companies the provisions of law as to fees for filing them shall not apply, if the fees were duly paid by the constituent companies and the agreement of consolidation be filed within two years after the creation of such companies. (95 v. 531 P. 5.)

TITLE GUARANTEE AND TRUST COMPANIES.

Powers of
such com-
panies.

SECTION 9850. A title guarantee and trust company may prepare and furnish abstracts and certificates of title to real estate, bonds, mortgages and other securities, and guarantee such titles, the validity and due execution of such securities, and the performance of contracts incident thereto, make loans for itself or as agent or trustee for others, and guarantee the collection of interest and principal of such loans; take charge of and sell, mortgage, rent or otherwise dispose of real estate for others, and perform all the duties of an agent relative to property deeded or otherwise entrusted to it. (R. S. Sec. 3821ggg.)

Capital
required;
deposit.

SECTION 9851. No such company shall do business until its capital stock amounts to at least one hundred thousand dollars fully paid up, and until it has deposited with the treasurer of state fifty thousand dollars in securities permitted by sections ninety-five hundred and eighteen and ninety-five hundred and nineteen. Except such deposit, the capital shall be invested as the board of directors of such company prescribes. (R. S. Sec. 3821ggg.)

SECTION 9852. The treasurer of state shall hold such fund or securities deposited with him as security for the faithful performance of all guarantees entered into by such company, but so long as it continues solvent he shall permit it to collect the interest of, or dividends on, its securities so deposited, and to withdraw them or any part thereof, on depositing with him cash or other securities of the kind heretofore named so as to maintain the value of such deposit at fifty thousand dollars. (R. S. Sec. 3821ggg.)

How deposit held.

SECTION 9853. Any company so organized shall be limited in its operation to only one county in this state, which shall be designated in its application for a charter, except, that if it desires to issue its policies of title insurance in more than one county it may issue them in such other county or counties upon depositing with the treasurer of state an additional sum of fifty thousand dollars in securities as above provided, for each additional county in which it proposes to operate. (R. S. Sec. 3821ggg.)

Operation limited to one county; exception.

SECTION 9854. If such a company has made deposits with the treasurer of state as herein required, it may request such treasurer to return to it securities in excess of the amount so required, and he shall surrender such excess to the company, taking proper receipts therefor. (R. S. Sec. 3821ggg.)

Treasurer to surrender surplus deposits.

SECTION 9855. All companies doing the business of guaranteeing titles to real property shall comply with and be governed by the foregoing provisions relating thereto. But such companies heretofore organized and doing business thereunder, may continue business without prejudice to any rights thereby acquired or obligations incurred. (R. S. Sec. 3821ggg.)

Laws by which such companies governed.

SECTION 9856. Title guarantee and trust companies shall make such reports to the auditor of the state as are required of safe deposit and trust companies and be subject to like examinations and penalties. (R. S. Sec. 3821ggg.)

Reports.

TRUST COMPANIES.

SECTION 9774. A trust company may purchase, lease, hold and convey real estate, exclusive of trust property, for the purpose and in the manner provided by this chapter as to commercial banks, and subject to like restrictions and limitations. (99 v. 284 Sec. 66.)

What real estate may be held.

SECTION 9775. Trust companies shall have the same powers in the acceptance and execution of trusts which are now conferred upon them by statute. (99 v. 284 Sec. 67.)

Powers.

Deposit of
court funds.

SECTION 9776. Any court in this state, including probate courts, by order, decree or otherwise, may direct moneys or properties under its control, or paid into court by parties to any action or legal proceedings, or which are brought into court by reason of an order, judgment, decree in equity, or otherwise, to be deposited with such trust company as the court designates, upon such terms and subject to such restrictions as may be deemed expedient. (99 v. 284 Sec 68.)

Liability of
capital and
property.

SECTION 9777. The capital of such corporation, with all its property and effects, shall be absolutely liable in case of default in any of such trust positions. The probate or other court committing a trust to the custody of such corporation, whenever it deems proper, may require additional security in any amount necessary. (99 v. 284 Sec. 69.)

Additional
securities.

SECTION 9778. No such corporation either foreign or domestic shall accept trusts which may be vested in, transferred or committed to it by an individual, or court, until its paid-in capital is at least one hundred thousand dollars, and until such corporation has deposited with the treasurer of state in cash fifty thousand dollars if its capital is two hundred thousand dollars or less, and one hundred thousand dollars if its capital is more than two hundred thousand dollars, except that, the full amount of such deposit by such corporation may be in bonds of the United States, or of this state, or any municipality or county therein, or in any other state, or in the first mortgage bonds of any railroad corporation that for five years last past paid dividends of at least three per cent. on its common stock. (99 v. 284 Sec. 69.)

Deposits with
treasurer of
state.

SECTION 9779. The treasurer of state shall hold such fund or securities deposited with him as security for the faithful performance of the trusts assumed by such corporation, but so long as it continues solvent he shall permit it to collect the interest on its securities so deposited. From time to time said treasurer shall permit withdrawals of such securities or cash, or part thereof, on the deposit with him of cash, or other securities of the kind heretofore named, so as to maintain the value of such deposit as herein provided. (99 v. 284 Sec. 69.)

When trust
deed or mort-
gage void.

SECTION 9780. No such corporation, foreign or domestic, authorized to accept and execute trusts, either directly or indirectly through any officer, agent or employee thereof, shall certify to any bond, note or other obligation to evidence debt, secured by any trust, deed or mortgage upon, or accept any trust concerning property located wholly or in part in this state without complying with the provisions of this and the two preceding sections. Any trust, deed or mortgage given or taken in violation of the provisions thereof shall be null and void. (99 v. 284 Sec. 69.)

SECTION 9781. Moneys or properties received on deposits or in trust by such corporation, unless by the terms of the trust some other mode of investment is prescribed, together with its capital and surplus, excepting such as is required to be kept as a reserve, shall be invested in or loaned only on the following:

How funds
invested.

a. The securities mentioned in paragraphs *b, c, d, e, f* of section ninety-seven hundred and fifty-eight, subject to the limitations and restrictions contained in said paragraphs, except that trust companies shall not loan more than sixty per cent. of the amount of their paid-in capital, surplus and deposits on notes secured by mortgage on real estate;

b. Stocks, which have paid dividends for five consecutive years next prior to the investment, and bonds of corporations when they are authorized by the affirmative vote of the majority of the board of directors or of the executive committee of such trust company; but the superintendent of banks may order that any such securities which he deems undesirable shall be sold within six months;

c. Promissory notes of individuals, firms, or corporations, when secured by a sufficient pledge of collateral, approved by the directors, subject to the provisions of sections ninety-seven hundred and fifty-four and ninety-seven hundred and fifty-five. (99 v. 285 Sec. 70.)

SECTION 9782. All moneys or properties received in trust by such company, unless by the terms of the trust some other mode of investment is prescribed, together with the capital and surplus of such corporation, also may be invested in ground rents, when authorized by a vote of the board of directors. (99 v. 285 Sec. 70.)

Ground rents.

SECTION 9783. Not more than twenty per cent. of the capital and surplus of any such corporation shall be invested in any one security or loan unless it be in bonds or other interest bearing obligations enumerated in paragraphs *b, c* and *d* of section ninety-seven hundred and fifty-eight, or in providing a building and vaults. (99 v. 285 Sec. 70.)

Limitation on
investments.

SECTION 9784. No investment in notes secured by mortgage on real estate shall be made by such corporation except upon the approval of the board of directors. (99 v. 285 Sec. 71.)

Real estate.

SECTION 9785. No trust company shall lend any part of its capital or surplus unless such loan be secured by bonds or stocks as collateral in which it is allowed to invest its capital, or by mortgage on real estate, where the amount loaned inclusive of prior incumbrances thereon does not exceed sixty per cent. of the value of the real estate, including improvements, which shall be kept adequately insured; nor

Loans, how
secured.

shall such corporation lend to any one person, firm, association or corporation more than twenty per cent. of its paid-in capital and surplus. (99 v. 286 Sec. 72.)

Trust department.

SECTION 9786. All moneys or property held in trust shall constitute a deposit in the trust department, and the accounts and investments thereof shall be kept separate. Such investments or loans shall be especially appropriated to the security and payment of all such deposits, and not be subject to any other liabilities of the corporation. For the purpose of securing the observance of these requirements, it shall have a trust department in which all business pertaining to such trust property shall be kept distinct from its general business. (99 v. 286 Sec. 73.)

Reserve not applicable to trust funds.

SECTION 9787. Trust companies shall keep the same reserve as is required of savings banks, but they shall not be required to keep a reserve on trust funds. When the reserve of a trust company falls below the amount required, it shall be governed by the provisions of section ninety-seven hundred and sixty. This section does not apply to money or property held in trust. (99 v. 286 Sec. 75.)

General trust fund.

SECTION 9788. In the management of money and property held by it as trustee, under the powers conferred in the foregoing sections, such trust company may invest them in a general trust fund of the corporation. But the authority making the appointment, upon the conferring of it, may direct whether such money and property shall be held separately or invested in a general trust fund of the corporation; except that such corporation always shall follow and be governed by all directions contained in any instrument under which it acts. (99 v. 286 Sec. 76.)

Trust department not liable for other debts.

SECTION 9789. No money, property or securities received or held by such corporation under this chapter, establishing a trust department, shall be mingled with the investments of the capital stock or other moneys or property belonging to it, or be liable for its debts or obligations. (99 v. 286 Sec. 76.)

DEPOSITORY LAWS.

Board of deposit officers.

SECTION 321. There shall be a board of deposit, consisting of the treasurer of state, superintendent of banks and attorney general, which officers shall perform the duties herein prescribed. The treasurer shall be chairman of said board. The cashier of the state treasury shall be the secretary to the board and shall keep its records. A duly certified copy of such records shall be prima facie evidence of the matter appearing therein in any court of record. (102 v. 33 Sec. 1.)

Evidence.

SECTION 322. The necessary expenses of the board of deposit for books, stationery, printing and postage shall be paid from the state treasury from a fund appropriated for that purpose upon the order of the board certified by the chairman and secretary; but such expenses shall not exceed \$1,000.00 in any one year. (102 v. 33, Sec. 2.)

Expenses;
how paid.

SECTION 323. It shall be the duty of said board to meet on the first Monday in April, 1911, and every two years thereafter, or as often as is necessary at the call of the chairman, after this bill becomes operative, and designate such national banks within the state and banks and trust companies doing business within this state, and incorporated under the laws thereof as the board deems eligible to be made state depositories. (102 v. 33 Sec. 3.)

Meetings;
designation
of depositories.

SECTION 324. Application of banks and trust companies to be made a state depository for the deposit of moneys of the state shall be made in writing and be filed with the chairman of the board of deposit. Such application shall contain a sworn statement showing the financial condition of the bank or trust company at the date of the application. Such application shall also specify the kind of bond or bonds it will furnish as security. (102 v. 33 Sec. 4.)

Applications.

SECTION 325. Applications of banks and trust companies shall be carefully considered by the board of deposit and its action on each application considered shall be endorsed thereon by the words "Approved" or "Rejected" and signed by each member of the board or a majority thereof. A bank or trust company whose application has been considered by the board and approved as herein provided shall be eligible to be a state depository. (102 v. 33 Sec. 5.)

Action of
board.

SECTION 326. Treasurer of state shall not keep at any one time more than fifty thousand dollars (\$50,000.00) as a reserve in the treasury vault, and all other moneys of the state shall be deposited as hereinafter provided. (102 v. 33 Sec. 6.)

Reserve in
treasury.

SECTION 327. There shall be two classes of depositories; one shall be known as active depositories and the other as inactive depositories. The treasurer of state may designate one or more banks or trust companies, or either of them located in Columbus, Ohio, eligible under the provisions of this act as active depositories; money deposited in the inactive depositories shall be used when money in the active depositories shall not be sufficient. (102 v. 33 Sec. 7.)

Active and
inactive
depositories.

SECTION 328. All awards for the deposit of state funds shall be made upon competitive bidding; bids shall be received by the treasurer of state every two years, be-

Competitive
bidding.

ginning between one o'clock p. m. on the first Monday in March and closing at one o'clock p. m. on the Third Monday in March, 1911, and every two years thereafter. (102 v. 33 Sec. 8.)

Bids opened
in public.

SECTION 329. Each bid shall state whether it is for an active or inactive deposit, amount bid for and rate of interest, and must be accompanied by an application and shall be sealed and plainly marked on the outside "BID FOR DEPOSIT." Beginning at one o'clock p. m. on the third Monday in March of each bidding period the bids shall be opened by the treasurer of state at his office in the presence of the public; all bids shall be preserved and be open to public inspection at all times. (102 v. 33 Sec. 9.)

SECTION 329-1. Evidence of a combination among bidders shall be deemed just cause for the rejection of any or all bids. (102 v. 33 Sec. 10.)

Award.

Duty of
treasurer.

SECTION 330. After bids have been opened the treasurer of state shall on or before the first Monday in April of each bidding period award the state funds to the highest bidders. The treasurer of state shall deposit the state funds in such banks and trust companies after such applications have been approved by the board of deposit. Should additional state funds become available at any time during the two years or until the next bidding period, it shall be awarded to the highest bidders; first to the banks and trust companies from which deposits have been withdrawn to meet obligations of the state, second to those who failed to receive the full amount of their original award, and then the next highest bidders. (102 v. 33 Sec. 11.)

Limitation
on deposits.

SECTION 330-1. No bank or trust company shall have on deposit at any one time more than its paid in capital stock and in no event more than three hundred thousand dollars (\$300,000.00) as an inactive deposit. (102 v. 33 Sec. 12.)

Withdrawals.

SECTION 330-2. The treasurer of state may withdraw any or all of the state funds on deposit for the purpose of paying the appropriations and the obligations of the state; when necessary to withdraw funds from the inactive depositories it shall be withdrawn from the banks and trust companies paying the lowest rates of interest and in proportional amounts as near as practicable. (102 v. 33 Sec. 13.)

Securities
specified.

SECTION 330-3. The treasurer of state before making such deposits shall require that each and every approved bank or trust company to deposit with him United States government bonds, bonds of this state, county, township, school district, road district, or municipal bonds of this

state at not less than their par value, in an amount equal to the amount of money to be deposited with such banks or trust companies, or surety company bonds, which when executed shall be for an amount equal to the amount deposited plus 5 per cent, conditional for the receipt and safe keeping and payment over to the treasurer of state or his written order of all moneys which may come into the custody of such bank, or trust company under and by virtue of this act, and the interest thereon when paid shall be turned over to the bank or trust company so long as it is not in default. And further, said bonds so given shall include a special obligation to settle with and pay to the treasurer of state for the use of the state interest upon daily balances on said deposit or deposits, at the rate bid for, but not less than 3 per cent. per annum for inactive deposits and 2 per cent per annum for active deposits (on a 365 day basis) payable quarterly on the first Monday of February, May, August and November of each year, or any time when withdrawals are made or the account is closed. (102 v. 33 Sec. 14.)

Interest on
daily balances.
Payable quar-
terly.

SECTION 330-4. Said banks and trust companies shall also file with the treasurer of state demand certificates of deposit in an amount equal to the total amount of the deposit and specify rate of interest to be paid. Said certificates shall be signed by the cashier or a duly authorized officer of said bank or trust company. (102 v. 33 Sec. 15.)

Demand
certificates.

SECTION 330-5. All surety company bonds and certificates of deposit shall be made out on blank forms furnished by the treasurer of state. Said blank forms shall be approved by the attorney-general. (102 v. 33 Sec. 16.)

Blank forms.

SECTION 330-6. If, on demand or order of the treasurer of state, a state depository fails or refuses to pay over the deposit, or any part thereof made therein as provided by law, the treasurer of state shall sell at public sale any or all of the bonds deposited with him as collateral security for such deposits. Thirty days' notice of such sale shall be given in a newspaper published and of general circulation at the seat of government. Surety bonds shall contain a clause obligating said surety company to pay and settle with the state the amount due in full including interest within sixty days after notice is given. (102 v. 33 Sec. 17.)

Sale of securi-
ties; when.

Notice.

SECTION 330-7. When a sale of bonds has been made by the treasurer of state, and upon payment to him of the purchase money, the chairman and secretary of the board of deposit shall transfer such bonds whereupon the absolute ownership of the bonds shall pass to the purchasers thereof. Any surplus remaining after deducting the amount due the state and expenses of sale shall be paid to the bank or trust company making the deposit. (102 v. 33 Sec. 18.)

Transfer of
bonds.

Title.

Surplus.

Non-liability
of treasurer.

SECTION 330-8. The treasurer of state shall not be personally liable for moneys lost by reason of the failure or insolvency of a bank or trust company selected as a state depository in accordance with law. (102 v. 33 Sec. 19.)

Records and
accounts.

SECTION 330-9. The treasurer of state shall keep in his office a record showing an account with each depository, both active and inactive, under which, entry shall be made showing the amounts of each deposit, the date of each, the rate of interest and withdrawals, the date thereof and the balance on deposit. Each such account to show the date and amount of interest received during each paying period. (102 v. 33 Sec. 20.)

Daily state-
ment to audi-
tor of state.

SECTION 330-10. The treasurer of state shall make out and transmit daily to the auditor of state a statement of the condition of all moneys in his hands and under his control of each day's business, and a copy thereof shall be transmitted at the same time to the governor. Such statement required shall show the amount in the inactive account, the amount in the active account, the amount of cash on hand, which shall include the amount in checks, drafts, post-office orders and other evidences of money and also the total of such items. (102 v. 33 Sec. 21.)

Surety.

SECTION 330-11. No person engaged or interested in the banking business as stockholder or otherwise shall be accepted or approved as surety on the bond of the treasurer of state. If said officer gives a surety company bond the annual premium, or premiums accruing thereon after the passage of this act shall be paid out of the funds in his hands on the approval of the governor, and there shall be appropriated out of any money in the state treasury to the credit of the general revenue fund not otherwise appropriated, but the amount shall not exceed eighteen hundred (\$1,800.00) dollars in any one year. (102 v. 33 Sec. 22.)

Active and
inactive de-
positaries.

SECTION 2715. The commissioners in each county shall designate in the manner hereinafter provided a bank or banks or trust companies, situated in the county and duly incorporated under the laws of this state, or organized under the laws of the United States, as inactive depositories, and one or more of such banks or trust companies located in the county seat as active depositories of the money of the county. In a county where such bank or trust company does not exist or fails to bid as provided herein, or to comply with the conditions of this chapter relating to county depositories, the commissioners shall designate a private bank or banks, located in the county as such inactive depositories, and if in such county no such private bank exists or fails to bid as provided herein, or to comply with the conditions of this chapter relating to county depositories, then the commissioners shall designate any other bank or banks incorporated under the laws of this state, or organized under the laws of the United States, as such inactive deposi-

Commissioners
to designate;
when.

taries. If there be no such bank or trust company incorporated under the laws of the state, or organized under the laws of the United States, located at the county seat, then the commissioners shall designate a private bank, if there be one located therein, as such active depository. No bank or trust company shall receive a larger deposit than one million dollars. (102 v. 59.)

Limitation.

SECTION 2715-1. The deposits in active depositories, as provided for in the next preceding section shall at all times be subject to draft for the purpose of meeting the current expenses of the county. The deposits in inactive depositories shall remain until such time as the county treasurer is obliged to withdraw a portion or all of the same and place it in the active depository or depositories for current use. Each bank or trust company, when submitting proposals as provided in section 2716 for the inactive deposits, shall stipulate the amount of money desired by such bank or trust company; and when the aggregate amount placed with all the banks and trust companies, qualifying for same, in any county, does not equal the amount that may be placed into inactive depositories the county commissioners shall, upon securing sufficient additional security from any or all of such inactive depositories authorize the county treasurer to increase the deposits therein; or such county commissioners shall in the manner herein provided designate a bank or banks or trust companies, located outside of the county in which the county treasurer shall deposit such excess funds. (102 v. 59.)

Time to remain.

Increase deposits; additional security.

SECTION 2716. When the commissioners of a county provide such depository, or depositories, they shall publish for two consecutive weeks in two newspapers of opposite politics and of general circulation in the county a notice which shall invite sealed proposals from all banks or trust companies within the provisions of the next two preceding sections, which proposals shall stipulate the rate of interest, not less than two per cent per annum on the average daily balance, on inactive deposits, and not less than one per cent per annum on the average daily balance on active deposits, that will be paid for the use of the money of the county, as herein provided. Each proposal shall contain the names of the sureties or securities, or both, that will be offered to the county in case the proposal is accepted. (102 v. 60.)

Publication inviting sealed proposals.

Rate on deposits.

SECTION 2717. At the hour of twelve o'clock noon on the Monday next following the last insertion of such notice, the commissioners in open session shall open the sealed proposals and award the use of such money to the bank or banks or trust companies that offer the highest rate of interest therefor on the average daily balance, provided proper sureties, securities or both, are tendered in the proposal. (98 v. 274 Sec. 3.)

Opening of proposals and award.

When funds
may be
awarded to
other bidders.

SECTION 2718. If, on account of the large amount of money to be deposited, the highest bidder is not entitled to all the funds of the county, the commissioners, after according to the highest bidder all to which it is entitled, shall award the balance to the next highest bidder or bidders respectively. (98 v. 274 Sec. 1.)

Funds,
may be
apportioned
among high-
est bidders.

SECTION 2719. If two or more banks offer the same highest rate of interest with proper sureties, securities, or both, the use of the money shall be awarded to either of them, or the commissioners may award a portion of such money to each of such banks or trust companies. (98 v. 274 Sec. 3.)

Expenses and
risks of de-
posits outside
county seat.

SECTION 2720. If the award shall be to a bank or banks or trust companies outside the municipality at which the county seat is fixed, the expenses and risks of making deposits therein by the county treasurer as hereinafter provided, shall be borne by such bank or banks or trust companies. (98 v. 274 Sec. 3.)

Re-advertise-
ment; what to
contain.

SECTION 2721. If no proposals are received offering the rate of interest hereinafter prescribed, the commissioners shall at once again advertise in the same manner until acceptable proposals are received. Each subsequent advertisement shall also state whether any proposal was received under the preceding advertisement, and, if any, the bank or banks or trust companies and the rate of interest offered. (98 v. 274 Sec. 3.)

When award
not binding.

SECTION 2722. No award shall be binding on the county nor shall money of the county be deposited thereunder until the hypothecation of the securities hereinafter provided, or until there is executed by the bank or banks or trust companies so selected and accepted a good and sufficient undertaking, payable to the county, in such sum as the commissioners direct, but not less than the sum that shall be deposited in such depository or depositories at any one time. (99 v. 465 Sec. 4.)

What sureties
required.

SECTION 2723. Such undertaking shall be signed by at least six resident free-holders as sureties or by fidelity or indemnity insurance company, authorized to do business within the state and having not less than two hundred and fifty thousand dollars capital, to the satisfaction of the commissioners, conditioned for the receipt, safe keeping and payment over of all money with interest thereon at the rate specified in the proposal, which may come under its custody under and by virtue of this chapter and under and by virtue of its proposal and the award of the commissioners, and conditioned for the faithful performance by such bank or banks or trust companies of all the duties imposed by law upon the depository or depositories of the money of the county. (99 v. 465 Sec. 4.)

SECTION 2724. Such undertaking shall be continuous and remain in full force as to any and all deposits secured by it until surrendered or cancelled by ten days' written notice to the county commissioners, the county auditor and county treasurer, each separately, given by a surety thereunder to withdraw the money of the county in such depository. If the money of the county so deposited is paid by such depository to the county treasurer on his demand within such ten days, or if it furnishes and substitutes new and satisfactory undertaking or securities, as provided herein, such surety shall be released from his obligation, but not before. (99 v. 465 Sec. 4.)

How undertaking shall be cancelled.

SECTION 2725. No surrender or cancellation shall operate to relieve any surety or liability for deposits made before such notice was given, until such deposits are secured to the satisfaction of the county commissioners by resolution spread on their journal or until such deposits are returned to the county treasury. No such surrender or cancellation shall be accepted until satisfactory undertakings in the same amount shall be substituted therefor. (99 v. 465 Sec. 4.)

Effect of surrender or cancellation.

SECTION 2726. An undertaking substantially as follows shall be sufficient: "We obligate ourselves to the county of, Ohio, for the receipt, safe keeping and re-payment of deposits made or to be made by the county treasurer of county, with interest in the bank to the amount of dollars and interest and the performance of all duties required by law." Recovery of such bond shall be in name of the county commissioners for the use of the county. No informalities or failure of the depository to sign such undertaking shall impair it as a statutory undertaking and all other matters may be treated as surplusage. The same surety shall not be accepted on more than one undertaking as to any one depository at the same time. No fidelity and indemnity insurance company shall be taken on any one bond in excess of twenty per cent. of its paid-up capital and surplus. By securing a deposit, a depository shall be obligated to return the amount thereof with interest irrespective of the value of securities or the amount of such undertaking. (99 v. 465 Sec. 4.)

Form and effect of undertaking.

SECTION 2727. Such undertaking shall not be accepted by the commissioners until submitted to the prosecuting attorney and certified by him to be in legal form, which certificate shall be endorsed thereon. (98 v. 275 Sec. 5.)

Approval of undertaking.

SECTION 2728. If a bank or trust company to which an award is so made fails to execute an undertaking or to hypothecate bonds, as herein provided, within thirty days of the time the award is made, the commissioners may award the use of the money to any other bank or banks or trust companies whose written proposal offers the same rate of interest, as in the proposal of such defaulting bank or trust

Proceedings if bank fails to give bond or hypothecate securities.

company. If no other bank or trust company offers such rate of interest in its proposal, the commissioners may award the use of such money to a bank or banks or trust companies whose written proposal offers therefor the next highest rate of interest. In either case, the undertaking and hypothecation shall be required to be executed. In case of such default, the commissioner shall advertise for others in the manner provided. (98 v. 275 Sec. 5.)

When and for
what term
bank becomes
depository.

SECTION 2729. Upon the acceptance by the commissioners of such undertaking, and upon the hypothecation of the bonds as hereinafter provided, such bank or banks or trust companies shall become the depository or depositories of the money of the county and remain such for three years or until the undertaking of its successor or successors is accepted by the commissioners. (98 v. 276 Sec. 6.)

Additional
security; re-
moval of
deposits.

SECTION 2730. At any time they deem it necessary, the commissioners may require additional securities from the bank or banks or trust companies in such sum as they designate. If for the period of five days thereafter such bank or banks or trust companies refuse or neglect to give such additional securities, the commissioners may order the removal of the county's deposits therefrom to the county treasury or designate some other bank or banks or trust companies temporary depository thereof at the same rate of interest.

Such removal and other removals ordered by the commissioners under the provisions of this chapter relating to county depositories, shall be made upon their written order and the check of the county treasurer after thirty days' notice to such depository. (98 v. 276 Sec. 6.)

Temporary
depository
shall give se-
curity and
bonds.

SECTION 2731. If in case of such removal the money be deposited in a bank designated as a temporary depository, before the receipt by it of any such money, such bank or trust company shall enter into an undertaking and hypothecate the bonds as required herein. If no bank or trust company be so designated, the money shall be kept in the county treasury and the commissioners shall at once create a new depository under this chapter. (98 v. 276 Sec. 6.)

Securities
specified.

SECTION 2732. In place of the undertaking provided for herein, the commissioners may accept as security for money so deposited the following securities:

(a) Bonds or other interest bearing obligations of the United States or those for the payment of principal and interest of which the faith of the United States is pledged, including bonds of the District of Columbia;

(b) Bonds of the state of Ohio;

(c) Legally issued bonds of any city, village, county, township or other political sub-division of this state and as to which there has been no default of principal, interest or coupons and which in the opinion of the treasurer are

good and collectible, providing the issuing body politic has not defaulted at any time since the year 1880 in the payment of the principal and interest of any of its bonds. (101 v. 353.)

SECTION 2733. Deposits may be made in the depositories up to ninety per cent of the market value of such securities. The county commissioners may accept such securities as partial security and require an undertaking for the remainder of the full amount of security required by law, and in such undertaking such acceptance and the extent thereof shall be set forth. (99 v. 466 Sec. 7.)

Security may be in part by undertaking.

SECTION 2734. The hypothecation of such securities shall be the proper legal transfer thereof as collateral which shall stipulate that such securities shall be the property of the county in case of any default on the part of the bank in its capacity as depository, and that the negotiation or release thereof by the commissioners shall require the signature of at least two members of the board of county commissioners. (106 v. 186.)

Form of hypothecation; requisites as to transfer.

SECTION 2735. The county commissioners shall make ample provision for the safe keeping of hypothecated securities. The interest thereon, when paid, shall be turned over to the bank or trust company so long as it is not in default. The commissioners may make provisions for the exchange and release of securities and the substitution of other securities or of an undertaking thereof. (99 v. 466 Sec. 7.)

Interest; exchange of securities.

SECTION 2736. Upon the receipt by the county treasurer of a written notice from the commissioners that a depository, or depositories, have been selected in pursuance of law, and naming the bank or banks or trust companies so selected, such treasurer shall deposit in such bank or banks or trust companies as directed by the commissioners, and designated as inactive depositories to the credit of the county all money in his possession, except such amount as is necessary to meet current demands, which shall be deposited by such treasurer in the active depository or depositories. Thereafter, before noon of each business day, he shall deposit therein the balance, if any, remaining in his hands after having paid out of the receipts of the preceding business day, in cash, warrants presented to him for payment during such day. Except as herein before provided. Such money shall be payable only on the check of the treasurer. (103 v. 562.)

Written notice; duty of treasurer.

SECTION 2737. All money deposited with any depository shall bear interest at the rate specified in the proposal on which the award thereof was made, computed on daily balances, and on the first day of each calendar month or at any time such account is closed, such interest shall be placed to the credit of the county, and the depository shall

Interest on daily balances.

Apportionment of interest.

notify the auditor and treasurer, each separately, in writing of the amount thereof before noon of the next business day. All such interest realized on the money belonging to the undivided tax funds shall be apportioned by the county auditor to the state, cities, city school districts and county taxing or assessing districts in the proportion that the amounts collected for the respective political divisions or districts bear to the entire amount collected by the county treasurer for such undivided tax funds and deposited as herein provided, due allowance being made for sums transferred in advance of settlements. All interest apportioned as the county's share together with all interest arising from the deposit of funds belonging specifically to the county shall be credited to the general fund of the county by the county treasurer. The county auditor shall inform the treasurer in writing of the amount apportioned by him to each fund, district or account. (101 v. 354.)

Monthly
statement of
depository.

SECTION 2738. On the first business day of each month, each depository shall notify the county auditor in writing of the amount of deposits made by the county treasurer for the preceding month, giving the amount and date of each deposit and the balance on deposit to the credit of the county at that time. (98 v. 277 Sec. 9.)

Monthly
statement of
auditor and
treasurer.

„ SECTION 2739. At such time the auditor and treasurer of the county shall each prepare and submit to the commissioners a sworn statement of the finances of the county for the preceding month, which shall show the amount of money received to the credit of each fund and account, the amount disbursed from each, the balance remaining to the credit of each, the balance of money in the depository or depositories, and the balance in the treasury. The commissioners shall place such statements on file, together with the statement from the depository, and forthwith post a duly certified copy of each in the office of the county auditor, which shall remain so posted at least thirty days for the inspection of the public. (98 v. 277 Sec. 9.)

Comparison
of checks and
statements.

SECTION 2740. On the first business day of each month, an officer of the county depository or depositories shall file with the county commissioners all checks of the county treasurer paid and redeemed by it during the previous month. The commissioners shall compare such checks with the report of the county treasurer, and if the statements of such depository and of the treasurer do not agree, the commissioners shall forthwith give notice thereof to the treasurer and auditor, who shall thereupon ascertain and report to the commissioners the cause of such discrepancy. (98 v. 277 Sec. 9.)

When county
treasurer
exempt from
liability.

SECTION 2741. A county treasurer who shall have fully complied with all the provisions of this chapter relating to county depositories shall not be held personally

liable on account of any loss which the county may have sustained by reason of the default or failure of any such depository. (98 v. 277 Sec. 9.)

SECTION 2742. Nothing in this chapter relating to county depositories shall in any manner change or affect the liability of treasurers of counties having depositories under and in accordance with these provisions, except that they shall not be held liable for any loss of money deposited by them in the depositories as provided herein while such money so deposited is in the custody of such depository. (99 v. 467 Sec. 10.)

Effect of these provisions.

SECTION 2743. An officer of a county having a county deposit who willfully violates any provision of this chapter relating to county depositories or willfully neglects or refuses to perform any duties thereby imposed upon him shall be fined not more than ten thousand dollars for the use of the county or be imprisoned in the penitentiary not less than one year, nor more than ten years, or both. (99 v. 467 Sec. 11.)

Penalty.

SECTION 2744. A county treasurer may receive checks, but such receipt shall in no manner be regarded as payment. No sum shall be considered paid until the money therefor has been received by the treasurer or a depository. No responsibility shall attach in any manner directly or indirectly to a treasurer, his sureties or the county by reason of the receipt of a check and collection of checks shall be entirely at the risk of the person turning them into the treasury. (99 v. 468 Sec. 13.)

Effect of receiving bank checks by treasurer.

SECTION 2745. Any provision of statute which conflicts with any provision herein relating to county depositories shall be held to be superseded by the latter as to any inconsistency and not otherwise in counties having a depository or depositories for county funds under these provisions. If, for any reason, any such county is without a depository for such funds, the money of the county shall be placed and remain in custody of the treasurer until another depository is designated, and he shall be governed by the general laws relating to county treasurers. (99 v. 467 Sec. 12.)

What existing law these provisions supersede.

SECTION 2746. When, in his opinion, necessary, the county treasurer may open not to exceed one office in each township for the receiving of taxes. Such office shall be in a city or village in which is located a bank of deposit. The treasurer, his deputy or clerks, may attend at such office and receive taxes on any day or days prior to the twentieth day of June and the twentieth day of December of each year. They may remove from the county treasury to the place of collection records necessary for the receiving of taxes upon the day or days so fixed for that purpose. (100 v. 76 Sec. 1.)

County treasurer may open tax-receiving offices.

Banks to furnish securities.

SECTION 2748. For the purpose of transportation, the county treasurer may deposit temporarily in any bank of deposit located at such place of collection any money received in the payment of taxes. A bank or banks receiving any such deposits shall deposit with the county treasurer such securities as the treasurer deems sufficient, subject to the approval of the county commissioners. The liability of the treasurer for any losses of money so deposited shall be the same as provided in this chapter in case of deposits by the county treasurer in county depositories. (100 v. 76 Sec. 3.)

TOWNSHIP FUNDS.

Depository fixed by resolution of trustees.

SECTION 3320. That within thirty days after the first Monday of January, 1916, and every two years thereafter, the trustees of any township shall provide by resolution for the depositing of any or all moneys coming into the hands of the treasurer of the township, and the treasurer shall deposit such money in such bank, banks or depository within the county in which the township is located as the trustees may direct subject to the following provisions. (106 v. 242 Sec. 1.)

Competitive bids.

SECTION 3321. The trustees of the township shall determine in such resolution the method by which bids shall be received, the authority which shall receive them, and time for which such deposits shall be made, and all the details for carrying into effect the authority herein given, but all proceedings in connection with such competitive bidding and the deposit of such moneys shall be conducted in such manner as to insure full publicity and shall be open at all times to public inspection. But no contract for the deposit of township funds shall be made for a longer period than two years. (106 v. 242 Sec. 1.)

Where funds deposited.

SECTION 3322. In townships containing two or more banks, such deposits shall be made in the bank or banks situated in the township that offer at competitive bidding the highest rate of interest on the average daily balance on such funds, which in no case shall be less than two per cent., for the full time the funds are on deposit. Such bank or banks shall give a good and sufficient bond to be approved by the township trustees, for the safe custody of such funds in a sum at least equal to the amount deposited. No bank or depository shall receive a larger deposit of such funds than the amount of such bond and in no event to exceed three hundred thousand dollars. The treasurer of the township shall see that a greater sum than that contained in the bond is not deposited in such bank or banks, and such treasurer and his bondsmen shall be liable for any loss occasioned by deposits in excess of such bonds. (R. S. Sec. 1513.)

SECTION 3323. In a township in which but one bank is located, and the location thereof is convenient to the township treasurer, the funds of the township shall be deposited in such bank at a rate of interest not less than two per cent. on the average daily balance, but when the trustees have reason to believe that such bank is not a safe depository, or when the location thereof is inconvenient to the township treasurer, or when such bank refuses to pay at least two per cent. interest, or where there are two banks in a township and either one or both refuse to pay two per cent. interest on such deposits, or in a township in which no bank is located, after the adoption of a resolution providing for the deposit of its funds, the trustees may enter into contract with one or more banks within the county, or in a county adjacent to the county of which the township is a part, that are conveniently located and which offer the highest rate of interest on the average daily balance, and which in no case be less than two per cent. for the full time the funds are on deposit. (R. S. Sec. 1513.)

Minimum
interest on
township
funds.

SECTION 3324. Such bank or banks shall give good and sufficient bond to the approval of the township trustees in a sum at least equal to the amount deposited for the safe custody of such funds, and the treasurer of the township shall see that a greater sum than that contained in the bond is not deposited in such bank or banks, and such treasurer and his bondsmen shall be liable for any loss occasioned by deposits in excess of such bonds. (R. S. Sec. 1513.)

Bond to se-
cure deposits.

SECTION 3325. Such resolutions and contracts shall set forth fully all details necessary to carry into effect the authority herein given. All proceedings connected with the adoption of the resolution and the making of the contract shall be conducted in such manner as to insure full publicity and shall be open at all times to public inspection.

Proceedings
shall be open
to the public.

All interest money derived in pursuance of these provisions shall be property of the township, and deposited as other funds. (R. S. Sec. 1513.)

SECTION 3326. When such depository is provided and the funds are deposited therein as herein directed, the treasurer of the township and his bondsmen shall be relieved of any liability occasioned by the failure of the bank or banks of deposit or by the failure of the guaranty company acting as surety for such bank or banks, or by the failure of either of them except as herein provided in cases of excessive deposits. On failure of the trustees of any township to provide a depository according to law the trustees and their bondsmen shall be liable for any loss occasioned by their failure to provide such depository, and in addition shall pay into the township treasury two per cent on the average daily balance on the township funds during the time said township shall be without a depository.

Liability
of treas-
urer and
trustees.

Said moneys may be recovered from the township trustees and their bondsmen for the use and benefit of the township treasury upon the suit of any tax payer of the township. (106 v. 242.)

MUNICIPAL FUNDS.

Deposits of moneys.

SECTION 4294. Upon giving bond as required by council, the treasurer may, by and with the consent of his bondsmen deposit all funds and public moneys of which he has charge in such bank or banks, situated within the county, which may seem best for the protection of such funds, and such deposits shall be subject at all times to the warrants and orders of the treasurer required by law to be drawn. All profits arising from such deposit or deposits shall inure to the benefit of the funds. Such deposit shall in no wise release the treasurer from liability for any loss which may occur thereby. (97 v. 270 Sec. 135.)

Deposit of moneys may be provided for by ordinance.

Security by municipal depository required.

Interest bearing obligations that may be accepted as security.

Approval.

Securities accepted to secure funds of all political subdivisions.

SECTION 4295. The council may provide by ordinance for the deposit of all public moneys coming into the hands of the treasurer in such bank or banks, situated within the municipality or county, as offer, at competitive bidding, the highest rate of interest and give a good and sufficient bond issued by a surety company authorized to do business in this state, or furnish good and sufficient surety, or secure said moneys by a deposit of bonds or other interest bearing obligations of the United States or those for the payment of principal and interest of which the faith of the United States is pledged, including bonds of the District of Columbia; bonds of the state of Ohio or of any other state of the United States; legally issued bonds of any city, village, county, township or other political subdivision of this or any other state or territory of the United States and as to which there has been no default of principal, interest or coupons, and which in the opinion of the treasurer are good and collectible providing the issuing body politic has not defaulted at any time since the year 1900, in the payment of the principal and interest of any of its bonds, said security to be subject to the approval of the proper municipal officers, in a sum not less than ten per cent. in excess of the maximum amount at any time to be deposited. And whenever any of the funds of any of the political subdivisions of the state shall be deposited under any of the depository laws of the state, the sureties herein mentioned, in addition to such other securities as are prescribed by law, may be accepted to secure such deposits. (103 v. 113.)

Contents of ordinance; conduct of bidding.

SECTION 4296. In such ordinance the council may determine the method by which such bids shall be received, the authority which shall receive them, and which shall determine the sufficiency of the security offered, the time for the contracts for which deposits of public money may be made, and all details for carrying into effect the authority

herein given. Proceedings in connection with such competitive bidding and the deposit of money shall be conducted in such manner as to insure full publicity, and shall be open at all times to the inspection of any citizen. As to any deposits made under authority of an ordinance of the council pursuant hereof, if the treasurer has exercised due care, neither he nor his bondsmen shall be liable for any loss occasioned thereby. (97 v. 270.)

MUNICIPAL SINKING FUNDS.

SECTION 4515. At least once every three years the trustees of the sinking fund shall advertise for proposals for the deposit of all sums held in reserve and shall deposit such reserve in the bank or banks, incorporated under the laws of this state or of the United States, situated within the county, which offer, at competitive bidding, the highest rate of interest and best security and accommodation and give a good and sufficient bond issued by a surety company authorized to do business in this state, or furnish good and sufficient surety in a sum not less than twenty per cent. in excess of the maximum amount at any time to be deposited. There shall not be deposited in any one bank an amount in excess of the paid-in capital stock and surplus of such bank, or to exceed in amount four hundred thousand dollars except when such moneys are deposited for the purpose of meeting the payment of some obligation. (101 v. 243.)

Competitive
bidding.

Maximum
account.

SECTION 4516. The trustees of the sinking fund shall determine the method by which such bids shall be received, the authority which shall receive them, the sufficiency of the security offered, the time for the contracts for which the deposits of public money may be made and all details for carrying into effect the authority here given, but proceedings in connection with such competitive bidding and the deposit of money shall be conducted in such manner as to insure full publicity and shall be open at all times to the inspection of any citizen. As to deposits made under this authority, neither the trustees of the sinking fund nor their bondsmen, if such trustees of the sinking fund have exercised due care, shall be liable for any loss occasioned thereby. (101 v. 243.)

Publicity.

SECTION 4516-1. The provisions of sections 4515 and 4516 of the general code shall not apply where sums held in reserve, by trustees of the sinking fund, are deposited in the city treasury, so as to become part of the general city balance to be deposited in banks as otherwise provided by law. (102 v. 466.)

When certain
provisions do
not apply.

SCHOOL FUNDS.

Deposit of
school funds;
limitation.

SECTION 7604. That within thirty days after the first Monday of January, 1916, and every two years thereafter, the board of education of any school district by resolution shall provide for the deposit of any or all moneys coming into the hands of its treasurer. But no bank shall receive a deposit larger than the amount of its paid in capital stock, and in no event to exceed three hundred thousand dollars. (106 v. 328.)

Competitive
bidding;
bond of de-
pository.

SECTION 7605. In school districts containing two or more banks such deposit shall be made in the bank or banks, situated therein, that at competitive bidding offer the highest rate of interest which must be at least two per cent for the full time funds or any part thereof are on deposit. Such bank or banks shall give a good and sufficient bond, or shall deposit bonds of the United States, the state of Ohio, or county, municipal, township or school bonds issued by the authority of the state of Ohio, at the option of the board of education, in a sum not less than the amount deposited. The treasurer of the school district must see that a greater sum than that contained in the bond is not deposited in such bank or banks and he and his bondsmen shall be liable for any loss occasioned by deposits in excess of such bond. But no contract for the deposit of school funds shall be made for a longer period than two years. (106 v. 328.)

Bids.

SECTION 7606. The board shall determine in such resolution the method by which bids shall be received, the authority which is to receive them, the time for which such deposits shall be made and all details for carrying into effect the authority herein given. All proceedings in connection with such competitive bidding and deposit of moneys must be so conducted as to insure full publicity and shall be open at all times to public inspection. If in the opinion of a board of education there has been any collusion between the bidders, it may reject any or all bids and arrange for the deposit of funds in a bank or banks without the district as hereinafter provided for in districts not having two or more banks located therein. (R. S. Sec. 3968.)

Contract of
board and
bank.

SECTION 7607. In all school districts containing less than two banks, after the adoption of a resolution providing for the deposit of its funds, the board of education may enter into a contract with one or more banks that are conveniently located and offer the highest rate of interest, which shall not be less than two per cent. for the full time the funds or any part thereof are on deposit. Such bank or banks shall give good and sufficient bond, or shall deposit bonds of the United States, the state of Ohio, or county, municipal, township or school bonds issued by the authority

of the state of Ohio, at the option of the board of education, in a sum at least equal to the amount deposited. The treasurer of the school district must see that a greater sum than that contained in the bond is not deposited in such bank or banks, and he and his bondsmen shall be liable for any loss occasioned by deposits in excess of such bond. (101 v. 290.)

Maximum
deposit.

SECTION 7608. The resolution and contract in the next four preceding sections provided for, shall set forth fully all details necessary to carry into effect the authority therein given. All proceedings connected with the adoption of such resolution and the making of such contract must be conducted in such a manner as to insure full publicity and shall be open at all times to public inspection. (R. S. Sec. 3968.)

What reso-
lution to
contain.

SECTION 7609. When a depository is lawfully provided, and the funds are deposited therein, the treasurer of the school district and his bondsmen shall be relieved from any liability occasioned by the failure of the bank or banks of deposit or by the failure of the sureties therefor, or by the failure of either of them, except as above provided in cases of excessive deposits. Upon the failure of the board of education of any school district to provide a depository according to law the members of the board of education shall be liable for any loss occasioned by their failure to provide such depository, and in addition shall pay to the treasurer of the school funds two per cent on the average daily balance on the school funds during the time said school district shall be without a depository. Said moneys may be recovered from the members of the board of education for the use and benefit of the school funds of the district upon the suit of any taxpayer of the school district. (106 v. 328.)

Board of
education
liable,
when.

TAXATION OF BANK STOCK.

Const. Art. XII, Sec. 3:

The general assembly shall provide by law, for taxing the notes and bills discounted or purchased, moneys loaned, and all other property, effects, or dues, of every description, (without deduction) of all banks, now existing, or hereafter created, and of all bankers, so that all property employed in banking, shall always bear a burden of taxation, equal to that imposed on the property of individuals.

SECTION 5407. A company, association, or person, not incorporated under a law of this state or of the United States, for banking purposes, who keeps an office or other place of business, and engages in the business of lending money, receiving money on deposit, buying and selling bullion, bills of exchange, notes, bonds, stocks, or other evidences of indebtedness, with a view to profit, is a bank, or banker, within the meaning of this chapter. (R. S. Sec. 2758.)

"Bank" and
"bankers"
defined.

Shares or capital of banks, incorporated or unincorporated.

SECTION 5408. All the shares of the stockholders in an incorporated bank or banking association, located in this state, incorporated or organized under the laws of the state or of the United States, and all the shares of the stockholders in an unincorporated bank, located in this state, the capital stock of which is divided into shares held by the owners of such bank, and the capital employed, or the property representing it, in an unincorporated bank the capital stock of which is not divided into shares, located in this state, shall be listed at the true value in money, and taxed only in the city, ward, or village where such bank is located. (R. S. Sec. 2762.)

Tax on real estate of bank.

SECTION 5409. The real estate of a bank or banking association shall be taxed in the place where it is located, in like manner as the real estate of persons is taxed. (R. S. Sec. 2763.)

Names of stockholders and shares of each.

SECTION 5410. There shall be kept in the office at all times where the business of such bank or banking association is transacted, a full and correct list of the names and residences of the stockholders therein, and the number of shares held by each, which at all times during business hours shall be open to the inspection of all officers who are or may be authorized to list or assess the value of such shares for taxation. (R. S. Sec. 2764.)

Return made by cashier, etc., to auditor.

SECTION 5411. The cashier of each incorporated bank, and the cashier, manager or owner of each unincorporated bank, shall return to the auditor of the county in which such bank is located, between the first and second Mondays of May, annually, a report in duplicate under oath, exhibiting in detail, and under appropriate heads, the resources and liabilities of such bank at the close of business on the Wednesday next preceding the said second Monday, with a full statement of the names and residences of the stockholders therein, the number of shares held by each and the par value of each share, and of the amount of capital employed by unincorporated banks, not divided into shares, and the name, residence and proportional interest of each owner of such bank. (R. S. Sec. 2765.)

Auditor to fix value of bank shares or property.

SECTION 5412. Upon receiving such report the county auditor shall fix the total value of the shares of such banks, and the value of the property representing the capital employed by unincorporated banks, the capital stock of which is not divided into shares, each according to their true value in money, and deduct from the aggregate sum so found, of each, the value of the real estate included in the statement of resources as it stands on the duplicate. Thereupon he shall make and transmit to the annual state board of equalization for banks a copy of the report so made by the cashier, manager or owner with the valuation of such shares or property representing capital employed as so fixed by the auditor. (R. S. Sec. 2766.)

SECTION 5413. If a bank fails to make and furnish to the county auditor the statement required, within the time herein fixed, the auditor shall examine the books of the bank; and also any officer or agent thereof under oath, with such other persons as he deems proper, and make such statement. The auditor shall have like powers, and the probate judge of the county shall exercise like powers, and perform like duties in aid of the auditor in the performance of his duties under this section, as are authorized by law in cases where the county auditor is informed, or has reason to believe, that any person has failed to make a return, or has made a false return for taxation. The statement so made out by the auditor shall stand as the statement required to be made by the cashier. (R. S. Sec. 2769.)

When bank fails to make return.

SECTION 5414. A bank officer who fails to make out and furnish to the county auditor the return required by section fifty-four hundred and eleven or wilfully makes a false statement in such return, shall forfeit not more than one hundred dollars together with the costs and other expenses incurred by the auditor or other proper officer in obtaining such statement. (R. S. Sec. 2769.)

Penalty for making false return.

SECTION 5624-13. * * * Nothing in this act shall be construed or held to authorize the tax commission, or any of its agents or employes, or any county auditor or any assessor or board of revision, to examine the accounts or records of any banking or financial institution which is subject to official inspection under the laws of the state of Ohio or of the United States, nor to demand or receive any list of depositors, stock depositors, members or others who transact business in or with such institutions. (106 v. 264 Sec. 66.)

Accounts and records of financial institutions not subject to inspection by taxing authorities.

SECTION 5617. On or before the first day of June, annually, each county auditor shall make and transmit to the tax commission of Ohio, a copy of the report made by the cashier, manager or owner of each bank, with the valuation of the shares or property of the bank, representing capital employed, as fixed by him. (106 v. 269 Sec. 85.)

Report of cashier or manager.

SECTION 5618. On the third Tuesday of June of each year, the tax commission of Ohio shall examine the reports of banks and banking associations made to the county auditors and the value of the shares of incorporated banks and the shares of unincorporated banks, the capital stock of which is divided into shares, each of which shares is an aliquot part of the capital so divided, and of the property representing the capital employed by unincorporated banks, the capital stock of which is not divided into shares, as fixed by the county auditors and reported to the commission. (106 v. 269 Sec. 86.)

Examination of bank returns.

Power to
increase or
decrease
value of
shares.

SECTION 5619. The tax commission of Ohio may increase or decrease the value of the shares or property representing capital employed by any bank or banks, if in the judgment of the commission the value thereof so reported to the commission by the county auditor is not the true value in money, to the end that all such shares and property representing capital employed shall be assessed equally and uniformly throughout the state at the true value thereof in money. (106 v. 269 Sec. 87.)

Certificate
of valuations
to county
auditors.

SECTION 5620. On the third Tuesday of July, annually, the tax commission of Ohio shall certify to the county auditors of the proper counties, the valuation as fixed by it of the shares of, and property representing capital employed by banks situated in such counties, specifying as to each bank the aggregate valuation of the shares thereof or property representing capital employed thereby and the deductions to be made therefrom. The county auditor shall make the deductions as so certified, and the value of the shares of each incorporated bank or banking association, and the shares of each unincorporated bank the capital stock of which is divided into shares, each of which shares is an aliquot part of the capital so divided, and the property representing the capital employed by unincorporated banks, the capital stock of which is not divided into shares, shall, after such deductions are made, be entered upon the proper tax lists and duplicate. (106 v. 269 Sec. 88.)

Review;
corrections.

SECTION 5621. Between the third Tuesday of June and the third Tuesday of July, the tax commission of Ohio may, on the application of any interested person or bank, or on its own motion, review and correct its findings. (106 v. 269 Sec. 89.)

Tax a lien
upon bank's
shares.

SECTION 5672. Taxes assessed on shares of stock, or the value thereof, of a bank or banking association, shall be a lien on such shares from the first Monday of May in each year until they are paid. It shall be the duty of every bank or banking association to collect the taxes due upon its shares of stock from the several owners of such shares, and to pay the same to the treasurer of the county, in which such bank or banking association is located, as other taxes are paid, and any bank or banking association failing to pay the said taxes as herein provided, shall be liable by way of penalty for the gross amount of the taxes due from all the owners of the shares of stock, and for an additional amount of one hundred dollars for every day of delay in the payment of said taxes. (102 v. 91.)

Collection
by tax.

Penalty.

Banks may
deduct taxes
paid from
shareholders
when.

SECTION 5673. Such bank or banking association paying to the treasurer of the county in which it is located, the taxes assessed upon its shares, in the hands of its shareholders, respectively, as provided in the next preceding section may deduct the amount thereof from dividends that are due or thereafter become due on such shares, and shall

have a lien upon the shares of stock and on all funds in its possession belonging to such shareholders, or which may at any time come into its possession, for reimbursement of the taxes so paid on account of the several shareholders, with legal interest; and such lien may be enforced in any appropriate manner; (102 v. 91.)

PENAL STATUTES APPLICABLE TO BANKS AND BANKING.

SECTION 12473. Whoever, being an officer, employe, agent or director of a corporation incorporated and doing business as a commercial bank, savings bank, savings society, society for savings, savings and loan association, savings and trust company, safe deposit company or trust company or other corporation or association, except building and loan associations, having power to receive and receiving money on deposit, embezzles, abstracts or wilfully misapplies any of the money, funds, credit or property of such corporation, whether owned by it or held in trust, shall be fined not more than ten thousand dollars or imprisoned in the penitentiary not more than thirty years, or both. (99 v. 278, Sec. 44.)

Embezzling or misapplying bank funds.

SECTION 12898. Whoever, being the superintendent of banks, a deputy assistant, clerk in his employ or an examiner, fails to keep secret the facts and information obtained in the course of an examination, except when the public duty of such officer requires him to report upon or take official action regarding the affairs of the person, partnership, corporation, company, society or association so examined, or wilfully makes a false official report as to the condition of such person, partnership, corporation, company, society or association, shall be fined not more than five hundred dollars or imprisoned in the penitentiary not less than one year nor more than five years, or both. Nothing in this section shall prevent the proper exchange of certain valuable information relating to banks and the business thereof, with the representatives of the banking departments of other states, with the national bank authorities, or with clearing house association examiners. (106 v. 360.)

Failure to keep secrets by bank superintendent, examiner or employe; penalty.

SECTION 12899. An official, violating any provision of the next preceding section, in addition to the penalties therein provided shall be removed from office and be liable, with his bondsmen, in damages to the person or corporation injured by the disclosure of such secrets. (99 v. 291 Sec. 106.)

Further penalty.

SECTION 13182. Whoever, being connected with or serving a commercial bank, savings bank, safety deposit company, trust company, or a combination of two or more of such classes of business, receives, or, being an officer thereof, permits an employe to receive money, checks, drafts

Receiving money when bank insolvent.

or other property as a deposit therein when he has knowledge that it is insolvent, shall be fined not more than five thousand dollars or imprisoned in the penitentiary not more than five years, or both. (99 v. 293 Sec. 116.)

Unlawfully
issuing certifi-
cate of de-
posit, etc.

SECTION 13183. Whoever, being an officer, employe, agent or director of a corporation incorporated and doing business as a commercial bank, savings bank, savings society, society for savings, savings and loan association, savings and trust company, safe deposit or trust company or other corporation or association, except building and loan association, having power to receive and receiving money on deposit, wilfully and fraudulently issues or puts forth a certificate of deposit, draws an order or bill of exchange, makes an acceptance, assigns a note, bond, draft, bill of exchange, mortgage, judgment or decree or makes a false entry in a book, report or statement of such corporation, shall be fined not more than ten thousand dollars or imprisoned in the penitentiary not more than thirty years, or both. (99 v. 278 Sec. 44.)

Fictitiously
borrowing,
etc., money.

SECTION 13184. Whoever, being an officer, employe, agent or director of such corporation as provided in the next preceding section, fictitiously borrows or solicits, obtains or receives money for the corporation not in good faith intended to be and not the property of the corporation, with intent to defraud or injure the corporation or another corporation or person or to deceive an officer of the corporation, or agent appointed to examine the affairs of the corporation, or publishes a false statement or report relating to the financial condition of the corporation with intent to defraud or injure it or another corporation or person, shall be fined not more than ten thousand dollars or imprisoned in the penitentiary not more than thirty years, or both. (99 v. 278 Sec. 44.)

Failing to
charge cer-
tified checks.

SECTION 13185. Whoever, being an officer or employe of a corporation conducting a commercial bank, savings bank, safe deposit company, trust company or two or more of such classes of business in accordance with the laws of this state, wilfully certifies a check drawn on such corporation and fails forthwith to charge the amount thereof against the account of the person, firm or corporation drawing it, shall be fined not more than five thousand dollars or imprisoned in the penitentiary not less than one year nor more than five years, or both. (99 v. 275 Secs. 31, 33.)

Certifying
check when
not sufficient
fund.

SECTION 13186. Whoever, being an officer or employe of such corporation as provided in the next preceding section, wilfully certifies a check drawn upon the corporation unless the person, firm or corporation drawing it has on deposit with the corporation an amount of money subject to the payment of such check and equal to the amount specified therein, shall be fined not more than five thousand dollars or imprisoned not less than one year nor more than

five years, or both. A check so certified by an authorized officer thereof shall be a good and valid obligation against the corporation. (99 v. 275 Secs. 32, 33.)

SECTION 13187. Whoever, being an officer or employee of such corporation as provided in section thirteen thousand one hundred and eighty-five, resorts to a device, receives a fictitious obligation in order to evade the provisions of this section and the next two preceding sections, or certifies a check before the amount thereof has been regularly entered to the credit of the drawer thereof upon the books of such corporation, shall be fined not more than five thousand dollars or imprisoned not less than one year nor more than five years, or both. (99 v. 275 Sec. 33.)

Resorting to unlawful device.

SECTION 13383-1. Whoever, directly or indirectly, wilfully and knowingly makes or transmits to another, or circulates, or counsels, aids, procures or induces another to make, transmit or circulate, any false or untrue statement, rumor or suggestion derogatory to the financial condition, solvency or financial standing of any bank, savings bank, banking association, building and loan association or trust company, doing business in this state or with intent to depress the value of the stocks, bonds or securities of any corporation, directly or indirectly, wilfully and knowingly makes or transmits to another, circulates, or counsels, aids, procures or induces another to make, transmit or circulate, any false or untrue statement, rumor or suggestion derogatory to the financial condition, or with respect to the earnings or management of the business of any corporation, or resorts to any fraudulent means with intent to depress in value the stocks, bonds or securities of any corporation shall be fined not more than one thousand dollars or imprisoned in the penitentiary not more than two years, or both. (103 v. 469.)

False statement; penalty for.

SECTION 13193-1. Any person who, with intent to defraud, shall make or draw or utter or deliver any check, draft or order for the payment of money upon any bank or other depository, who never had any funds or credit with such bank or depository, shall be guilty of a felony, and upon conviction thereof shall be fined not less than fifty dollars and not more than two hundred dollars, or imprisoned in the Ohio state penitentiary for not less than one year nor more than three years or both. The word "credit" as used herein shall be construed to mean any contract or agreement with the bank or depository for the payment of such check, draft or order, when presented. (106 v. 443.)

Penalty for giving with intent to defraud, check, draft or order.

BANKS TO FURNISH CERTAIN INFORMATION TO SUPERINTENDENT OF INSURANCE.

SECTION 627-1. The superintendent of insurance is authorized and empowered to make written requisitions upon the officers or directors of any national bank, state bank, state bank and trust companies or private bank, of this

Authority and power of superintendent of insurance.

state, for such information as he may require relating to the financial transactions of any of such institutions with any insurance company, fraternal beneficiary association or assessment association authorized to do business in this state. (101 v. 102.)

Duty of
bank officers.

SECTION 627-2. It shall be the duty of any officer or director of any such bank or trust company upon the receipt of such requisition, or within five days thereafter, to furnish to such superintendent in writing all the information called for in such requisition and in such manner and form as therein directed. (101 v. 102.)

Penalty.

SECTION 627-3. Any officer or director of any such bank or trust company who fails, neglects or refuses to comply with the provisions of section two of this act shall be guilty of a misdemeanor and on conviction shall be fined not more than \$500.00 nor less than \$25.00. (101 v. 102.)

GENERAL PROVISIONS.

Investment in
one stock or
loan limited.

SECTION 9790. Not more than twenty per cent. of the capital and surplus of a corporation doing business under this chapter shall be invested in any one stock security or loan unless it be in bonds or other interest bearing obligations enumerated in paragraphs *b*, *c* and *d* of section ninety-seven hundred and fifty-eight, or in a building and vaults. (99 v. 283 Sec. 64.)

Deposits made
in name of
two persons
payable to
either.

SECTION 9790-1. When a deposit has been made, or shall hereafter be made, in any bank, savings bank, banking association or trust company transacting business in this state in the names of two persons, payable to either, or payable to either or the survivor, such deposit, or any part thereof, or any interest or dividend thereon, may be paid to either of said persons whether the other be living or not; and the receipt or acquittance of the person so paid shall be a valid and sufficient release and discharge to the bank for any payment so made. (101 v. 120.)

Who may
sign papers.

SECTION 9791. In proceedings connected with any authority exercised under this chapter, or under the chapter relating to the superintendent of banks, all accounts and other papers may be signed and sworn to in behalf of such corporation by any officer thereof duly authorized by it. The answers and examinations under oath, of such officer, shall be received as the answers and examinations of the corporation. A court may order and compel any officers of such corporation to answer and attend such examination the same as if they, instead of the corporation were parties to the proceedings or inquiry. (99 v. 286 Sec. 74.)

Investigation;
report to
court.

SECTION 9792. Any judge of a court in which such corporation is acting in such trust capacity, if he deems it necessary, or upon the written application of any party in-

interested in the estate which it holds in a trust capacity, at any time, may appoint a suitable person or persons, who shall investigate the affairs and management of such corporation concerning such trust and make sworn report to the court of such investigation. The expense thereof shall be taxed as costs against the party asking for such examination, or the trust fund of such corporation as the court decrees. Such court at any time may examine any officers of such corporation, under oath or affirmation, as to its trust matters in the court, or as to its finances and management while considering its appointment in such capacity; and for any cause, applicable to natural persons in the same capacity, order that such corporation forthwith settle its trust. (99 v. 287 Sec. 77.)

SECTION 9793. Every banking company, savings bank, savings and loan association, savings and trust company, safe deposit and trust company, society for savings, savings society, and every other corporation or association, except building and loan associations, empowered to receive, and receiving money on deposit, now existing and chartered or incorporated, or which hereafter become incorporated shall be subject to the provisions of this chapter except that no such corporation or association having a less capital stock than the minimum amount provided in section ninety-seven hundred and four shall be required to increase its capital stock in order to conform to the provisions of such section (99 v. 288 Sec. 91.)

Corporations governed by this chapter.

SECTION 9794. No such association or corporation may avail itself of any of the privileges or powers conferred by this chapter until it has complied with the provisions of sections 9741 and 9742. No corporation or association, shall be required to comply with the provisions of this chapter before April 1, 1910, but every such corporation and association, shall be subject to the inspection, examination and supervision of the superintendent of banks, as provided by law. (99 v. 288 Sec. 91.)

Privileges available, when.

SECTION 9795. The books and records, except books and records of deposit and trusts, of every corporation, society or association operating under this chapter, at all reasonable times shall be open to the inspection of every stockholder. (99 v. 288 Sec. 91.)

Records to be open to stockholders.

SECTION 9796. No bank or banking institution incorporated under the laws of any other state, shall be permitted to receive deposits, or transact banking business of any kind in this state, except to lend money. (99 v. 287 Sec. 80.)

Foreign banks to lend money only.

SECTION 9796-1. Wherever the term "state bank" is used in this act, the said term shall be held to include every corporation or association having the power to receive, and receiving money on deposit, chartered or incorporated under any general or special law of Ohio, but shall not include

Terms "state bank" and "federal reserve act" defined.

building and loan associations; and wherever the term "Federal Reserve Act" is used in this act the same shall be held to mean the act of the 63rd Congress of the United States, entitled "An Act to provide for the establishment of Federal reserve banks, to furnish an elastic currency, to afford means of rediscounting commercial paper, to establish a more effective supervision of banking in the United States, and for other purposes," approved by the President of the United States on December 23rd, 1913. (104 v. 1885 Sec. 1.)

State bank may become a member bank under federal reserve act; rights, powers and privileges.

SECTION 9796-2. Every state bank, in addition to the powers, rights and privileges possessed by it under the laws of Ohio shall have the right and power to become a member bank under the Federal Reserve Act upon the terms and conditions set forth in said Federal Reserve Act, or hereafter provided by law, in order to become a member bank as contemplated by said Federal Reserve Act. Every state bank which becomes a member bank shall have the right and power to do everything required of or granted by said Federal Reserve Act to member banks which are organized under state laws; and compliance by state banks with the reserve requirements of said Federal Reserve Act, shall be accepted in lieu of the reserve requirements provided by the laws of Ohio. Nothing contained in this section of this act shall in any way or manner affect or have reference to state banks which do not become member banks under said Federal Reserve Act except as provided in this act. (104 v. 185 Sec. 2.)

State or national banks may act as administrator, executor, etc., when.

SECTION 9796-3. No state bank or national bank shall act as administrator, executor, trustee or registrar of stocks and bonds in this state. Provided, however, that trust companies organized under the laws of Ohio shall have the same powers in the acceptance and execution of trusts which are now conferred upon them by law, and other state banks and national banks may have the same powers in the acceptance and execution of trusts which are now conferred by law upon trust companies, upon such state banks and national banks complying with all the requirements, regulations and conditions imposed by the laws of Ohio upon trust companies in the matter of the acceptance and execution of trusts. (104 v. 185 Sec. 3.)

Exceptions to this chapter.

SECTION 9797. Nothing in this chapter shall apply to or affect building and loan associations. (99 v. 294 Sec. 118.)

Banks may borrow money, to what extent.

SECTION 8705. A corporation may borrow money in any sum not exceeding the amount of its capital stock, issue its notes or coupons or registered bonds therefor, bearing any legal rate of interest, and secure their payment by a mortgage of its property, real or personal, or both; provided, however, that a corporation formed to buy and sell real estate may borrow money, issue its notes or

bonds secured by mortgage of its real estate in an amount not to exceed sixty-five per cent of the market value thereof without regard to the amount of its capital stock. (106 v. 553 Sec. 1.)

SECTION 5978. Every Saturday afternoon of each year shall be a one-half legal holiday for all purposes, beginning at twelve o'clock noon and ending at twelve o'clock midnight. Nothing however, in this section or any other, or any decision of any court, shall in any manner affect the validity of or render void or voidable any check, bill of exchange, order, promissory note, due bill, mortgage or other writing obligatory made, signed, negotiated, transferred, assigned or paid by any person, persons, corporation or bank upon said half holiday, or any other transaction had thereon. (103 v. 566 Sec. 1.)

Saturday
afternoon
legal
holiday.

SECTION 2288-1. In addition to the undertakings or security provided for in section 2732, 4295, 7605 and 7607, it shall be lawful to accept first mortgages, or bonds secured by first mortgages bearing interest not to exceed six per cent. per annum, upon unincumbered real estate located in Ohio, the value of which is at least double the amount loaned thereon. If the amount loaned exceeds one-half the value of the land mortgaged, exclusive of the structures thereon, such structures must be insured in an authorized fire insurance company, or companies, in an amount not less than the difference between one-half the value of the land exclusive of structures, and the amount loaned, and the policy or policies shall be assigned to the mortgagee. The value of such real estate, shall be determined by valuation made under oath by two resident freeholders of the county where the real estate is located, who are conversant with real estate values. There shall be deposited with said mortgage, an abstract of title made by some competent person or persons or company, accompanied by the opinion of a competent attorney, which opinion shall certify that the mortgage is a first lien upon the premises mortgaged, or said title shall be guaranteed by a company organized under, and which has complied with the provisions of section 9850 of the General Code. (106 v. 434.)

Mortgage
loans se-
curity for
deposit of
public money.

SAVINGS AND LOAN ASSOCIATIONS.

SECTION 9798. The board of directors of any savings and loan association may prescribe the terms on which deposits shall be received and paid out, and the mode of transacting, managing and conducting the affairs and business of the corporation. The rules and regulations relating to the receipt and payment of deposits, and the interest thereon, shall be written or printed in the pass-book of depositors, not be altered so as to affect any deposit previously made, and shall be obligatory on such depositors. (R. S. Sec. 3799.)

Rules and regu-
lations relating
to deposits.

Board of
officers.

SECTION 9799. The officers of such corporation, other than directors, before entering upon the discharge of their duties, shall give a bond to the corporation, to the amount required by the directors, with security to be approved by them, for their fidelity, good conduct, for the safe-keeping and proper application of the funds of the association, and of such sums of money as may be placed in their charge by the depositors or others. The directors may require an increase of the amount of such bonds when they deem it necessary. (R. S. Sec. 3800.)

Deposits by
minors.

SECTION 9800. When deposit is made in such an association by a minor, it shall be held for the exclusive right and benefit of such depositor, free from the control or lien of any person, except creditors, and be repaid to the person making the deposit. The receipt or acquittance of such minor shall be a sufficient release and discharge to the corporation for such deposit. (R. S. Sec. 3801.)

Officers shall
not borrow
from corpora-
tion.

SECTION 9801. No director or other officer of such corporation shall borrow or use its funds except to pay the necessary and current expenses, to an amount greater than one-half of the amount of stock by him owned or held; nor shall any officer or director be surety, or in any manner an obligor, for a loan made by a corporation. (R. S. Sec. 3802.)

May acquire
real estate.

SECTION 9802. Such corporation may acquire, hold and convey only such real estate as is necessary and convenient for the transaction of its business, and such as it is necessary to purchase, at judicial sale or otherwise, to secure debts due it, and which it shall not hold for a longer period than five years. In all cases of loans upon real estate the expense of searches, examination of certificates, and recording of papers, shall be paid by the borrower. (R. S. Sec. 3803.)

Interest may
be paid on
deposits.

SECTION 9803. Such corporation may receive on deposit, for safe-keeping or investment, all money offered for that purpose by tradesmen, clerks, mechanics, laborers, minors, or other persons, or by a religious or charitable society, or municipal corporation, or that may be ordered to be deposited by a court in this state having custody of money, and make investments thereof in the manner provided in this chapter. It may credit and pay such rates of interest thereon as are agreed upon, not exceeding the rate allowed by law; also purchase and sell promissory notes, drafts, and bills of exchange, at such rates as are agreed upon, and transact such other business as properly pertains to the business of such associations not forbidden by the constitution and laws of this state. (R. S. Sec. 3804.)

Distribution
of increased
stock.

SECTION 9804. Upon an increase of stock, the stockholders at the time of such increase shall be entitled to a pro rata share thereof, upon the payment of its par value; but

such right shall be forfeited if the amount be not paid within thirty days of the time fixed therefor by the directors, by public notice. (R. S. Sec. 3805.)

SECTION 9805. Such corporations may invest their funds in the purchase of stocks, bonds or other evidence of indebtedness of the United States, stocks and bonds of the state of Ohio, bonds of a municipal corporation or school bonds of such a corporation, special school district or body politic in this state, issued pursuant to law, or in bonds lawfully issued by county commissioners herein to such an amount as is deemed proper, or the stocks or bonds of a state of the United States that for five years immediately preceding such investment has paid the interest on its bonded debt in lawful money of the United States, to the extent of ten per cent of their paid-in capital and deposits, or in bonds or notes secured by mortgages on unincumbered real estate situated in the county where the association is located, or an adjoining county in this state, worth, exclusive of buildings, at least double the amount loaned thereon, unless accompanied with valid insurance upon the buildings thereon that will make the value of the real estate and insurance at least double the amount loaned thereon. But not more than seventy-five per cent of the amount of the paid-in capital and deposits of such an association shall at any time be invested in such real estate securities. (R. S. Sec. 3806.)

Investment
of funds.

SECTION 9806. Such associations, may discount notes and bills of exchange, and take, receive, reserve and charge upon a loan of discount made upon a note, bill of exchange or other evidence of debt, interest at the rate allowed by law, which interest may be taken in advance, at the time of making the loan or discount. For interest taken directly or indirectly in excess thereof, such associations shall be subject to the same penalties as natural persons. But in the purchase, discount or sale of a bill of exchange, payable at another place than that of its purchase, discount or sale, the current rate of discount or premium may be charged and received in addition thereto. No such corporation shall advertise by newspaper or letter-head or in any other way a larger capital stock than has been actually paid in. (R. S. Sec. 3806.)

Discounts; interest; advertisements.

SECTION 9807. The total liabilities of a person, company, corporation, or firm, to such an association, either as principal debtor, or as security or indorser for others for money borrowed, including in the liabilities of a company or firm the liabilities of the several members thereof, at no time shall exceed one-fifth part of its capital stock actually paid in, but the discount of bills of exchange drawn against actually existing values, and the discount of commercial or business paper actually owned by the person, company, corporation, or firm negotiating these, shall not be considered as money borrowed. (R. S. Sec. 3807.)

Limit of loans
to one person.

Dividends.

SECTION 9808. As often as they deem proper, the directors may make and declare dividends of the profits of the corporation, after paying its expenses, and reserving from the net profits of the institution not less than one-tenth part thereof, to be held and invested as a surplus fund to meet contingencies in its business, which reservation shall continue until such surplus is equal to at least twenty per cent of the amount of the full capital stock. Such dividends shall be payable to the shareholders within ten days from the time they are so declared. (R. S. Sec. 3808.)

Distribution when association ceases to do business.

SECTION 9809. When such an association ceases to do business, or its directors determine to close up its affairs, the assets thereof shall be distributed and disbursed by the directors, or other designated persons, as follows:

First. In payment of depositors.

Second. In payment of the debts of the corporation.

Third. The remainder, proportionately among the shareholders. (R. S. Sec. 3809.)

UNKNOWN DEPOSITORS.

Annual report to probate judge.

SECTION 9864. Every incorporated bank or banking association located in this state, whether now or hereafter incorporated or organized under the laws of this state, or of the United States, and every company, association, or person, who in this state keeps an office or other place of business, and engages in the business of lending money, receiving money on deposit, buying and selling bullion, or bills of exchange, notes, bonds, stocks, or other evidence of indebtedness, with a view of profit, annually, between the first and second Mondays of January, shall make out and return to the probate judge of the county in which such bank, office, or other place of business is located, under oath of the owner, or principal officer or manager thereof, a true and complete statement, setting forth, in alphabetical order, the names of all unknown depositors with such bank, company, association or person, together with the amount due to every such unknown depositor, including accrued interest and dividends. (85 v. 65 1.)

Who are to be deemed "unknown depositors."

SECTION 9865. Every corporation, company, association, or person, in whose name a deposit of any money, bullion, bill of exchange, note, stock, bonds or other evidence of indebtedness has been made with any bank, company, association, or person, designated in the preceding section, shall be deemed an unknown depositor within the meaning thereof when the date of the last bona fide item of debt or credit to the account of such depositor on the books of said bank is more than seven years prior to the time fixed by such section for the filing of such statement with the probate court of the proper county. In fixing the date of the last item of credit to the account of a depositor, reference shall not be had to any item of credit for interest or dividends

accrued on such deposit, unless it be entered upon a pass book presented by and returned to the depositor, or unless the depositor be a minor. (85 v. 75 2.)

SECTION 9866. The probate judge of each county, on or before the third Monday of January, annually, shall record in a book kept for that purpose, entitled "record of unclaimed deposits in banks, County, Ohio," and which at all times shall be open to public inspection, all statements returned to him for the preceding year under the above provisions. Such judge shall designate in such book at the head of each statement recorded therein, the name of the bank, company, association or person by whom such statement was returned. The original statement returned to him shall be kept on file and preserved in his office. (85 v. 65 3.)

Record to be kept by probate judge.

SECTION 9867. There shall be allowed and paid to the probate judge of each county, the sum of eight cents per hundred words, for all statements recorded by him, as above provided. The cost of recording the names and amounts due to depositors, by whom such deposits were made, and who are "Unknown", shall be paid to such judge by the bank, company, association, or person, as herein provided, at the time such annual statement is returned, and by such bank, company, association, or person, shall be deducted from the amount due such unknown depositor. (85 v. 65 4.)

Fees for making such record.

SECTION 9868. When a corporation, company, association, or person, in whose name a deposit is made with a bank, company, association, or person designated herein, becomes unknown within the definition and meaning hereof, the amount due to such depositor shall be paid by such bank, company, association or person, to the treasurer of the county, in which such bank, company, or association is located, and by such treasurer be credited to the general fund of such county. But it shall not be paid until after the expiration of eight years from the date of the first statement, in which the name and amount due such unknown depositor was returned to the probate judge. The bank, corporation, association or person so making such payment shall thereby be released from any claim, demand or liability to pay it or any part thereof to the depositor, his administrators, executors or assigns. (85 v. 65 5.)

Unknown deposits to be paid into county treasury.

SECTION 9869. If at any time thereafter proof is made to the satisfaction of the probate court, or the county commissioners, of the right of any person or persons, by inheritance or otherwise, to such funds or any part thereof, or so paid to the treasurer, such court or commissioners shall so certify to the county auditor, who thereupon shall draw a warrant on the treasurer of the county in favor of such claimant or claimants, or the legal representative or duly authorized agent thereof, for the sum so paid into the treasury. If any such person or persons become aggrieved by

How such deposits reclaimed.

the decision finding or action of the probate court or the county commissioners, such person or persons may appeal to the court of common pleas, in the manner provided by law for appealing from the decisions of county commissioners, or from those of the probate judge. (85 v. 65 6.)

Penalty for refusal or neglect to comply.

SECTION 9870. Every bank, company, association, or person designated herein, who neglects or refuses to comply with these provisions, shall forfeit and pay five hundred dollars, for every such offense. (85 v. 65 7.)

Recovery and disposition of penalties.

SECTION 9871. The penalty so imposed shall be recovered by action in the name of the state, before any court of competent jurisdiction; and when collected, shall be paid to the treasurer of the county in which the judgment therefor is recovered. One-half thereof shall be by such treasurer credited to the general fund of such county, and one-half thereof be by him held for the use of the state. (85 v. 65 8.)

Who may sue; duty of prosecuting attorney.

SECTION 9872. The action provided by the preceding section may be instituted and prosecuted to judgment by any citizen of the state. The prosecuting attorney of such county hereby is required to institute and prosecute such action against every bank, company, association or person so designated, and located in such county, who fails to comply with the foregoing provisions. (85 v. 65 9.)

COLLATERAL LOAN COMPANIES.

Powers and limitations.

SECTION 9857. Corporations may be organized for the purpose of making loans on pledges of goods and chattels and upon mortgage thereof; but they shall not receive money on deposit, engage in banking, nor make loans upon security other than herein is provided. The names of such corporations shall begin with the word "The" and end with the words "Collateral Loan Company." (97 v. 134 1.)

Capital stock.

SECTION 9858. The capital stock of such company shall not exceed five hundred thousand dollars in shares of fifty dollars each. When twenty thousand dollars have been duly subscribed and one-fourth of it actually paid in, the subscribers thereto may organize and transact business. (97 v. 134 2.)

How loans made.

SECTION 9859. When such company has disposable funds it shall loan on all goods and chattels offered, embraced within its rules and regulations, in the order offered; with the exception that it always shall discriminate in favor of small loans to the indigent. It may loan to four-fifths of the appraised value of gold and silver plate and ware, and to two-thirds of such value on other goods and chattels. The rate of interest charged shall not exceed eight per cent per annum, and other charges, including insurance, investiga-

tion of titles, and the expense of the custody and care of property offered as security must not exceed ten per cent of the amount loaned. (97 v. 134 3.)

SECTION 9860. Such company shall insure all pledged property in its possession against loss or damage by fire, in an amount equal to the appraised value thereof, to be ascertained when the loan is made. In case of loss or damage by fire it shall be liable to the pledgers of such property for the amount thereof after paying the principal, interest, loan charges and expenses. (97 v. 134 3.)

Insurance.

SECTION 9861. Such company shall give to each pledger a card inscribed with its name, the article or articles pledged, name of the pledger, the amount loaned, the rate of interest, amount of loan charges and expenses, the date when made and date when payable. (97 v. 135 5.)

Memorandum
of loans.

SECTION 9862. A person who has deposited property with such company as a pledge to secure a loan, at any time before the maturity of such loan may redeem it, on payment of the principal sum borrowed with interest and other charges which have accrued at the date of payment. (95 v. 135 4.)

Redemption
of pledges.

SECTION 9863. If the property pledged is not redeemed upon the maturity of the loan it shall be sold at public auction. Notice specifying the time and place of such sale shall be mailed to the last known address of the pledger at least one week previous to the time of such sale. The net surplus from a sale, after paying loan charges and expenses, shall be held three years for the owner; when, if not demanded, it shall be forfeited to the company. (97 v. 135 5.)

Sale of
pledges.

CHATTEL AND SALARY LOAN COMPANIES.

SECTION 6346-1. It shall be unlawful for any person, firm, partnership, association or corporation, to engage, or continue, in the business of making loans, on plain, endorsed, or guaranteed notes, or due bills, or otherwise, or upon the mortgage or pledge of chattels or personal property of any kind, or of purchasing or making loans on salaries or wage earnings, or of furnishing guarantee or security in connection with any loan or purchase, as aforesaid, at a charge or rate of interest in excess of eight per centum per annum, including all charges, without first having obtained a license so to do from the superintendent of banks and otherwise complying with the provisions of this act..

Loans upon
chattel or
Wage earnings
without
license, un-
lawful.

SECTION 6346-2. Any person, firm, partnership, corporation or association desiring to obtain a license, shall apply therefor, under oath, on forms prescribed by the superintendent of banks; and by paying annually to the

Application
under oath;
fee for
license;
expiration.

superintendent of banks, a license fee in the sum of one hundred dollars, shall be entitled to obtain a license, which license fee shall include the entire cost of inspection, or inspections, for a period of one year. The said license shall be issued by the superintendent of banks, and shall expire the first day of March next following the date of its issuance, except that the fee of one hundred dollars herein provided shall be apportioned for that part of the year 1915 remaining after the date when this act shall become law, but thereafter no abatement of said charge shall be made if licenses are issued for less than one year, and no other or further license fee shall be required from any such licensee, by the state or any municipality nor shall any fees or charges be collected under section 736 of the General Code. Every such license and bond hereinafter provided for shall be renewed annually on the first day of March in each year. No license shall be granted to any person, firm, partnership, corporation or association unless, and until, such applicant shall, in writing, and in due form, to be first approved by and filed with the superintendent of banks, appoint an agent, a resident of the state of Ohio, and county where his office is to be located, upon whom all judicial and other process, or legal notice, directed to such applicant may be served; and in case of the death, removal from the state, or any legal disability or disqualification of any such agent, service of such process or notice may be made upon the superintendent of banks. The said superintendent of banks may revoke any license, if the licensee, his officers, agents, or employes shall violate any of the provisions of this act. Whenever for any cause, such license is revoked, said superintendent of banks shall not issue another to said licensee until the expiration of at least one year from the date of revocation of such license. Every such applicant shall execute and file a bond to the state of Ohio in the penal sum of two thousand dollars with the superintendent of banks to be approved by him, for the faithful observance of all provisions of this act. Any person claiming to be injured by a violation of this act by a licensee may maintain an action on said bond.

Appointment of agent upon whom process may be served, required.

Revocation of license; bond.

Statements required in application; posting of license; transfers.

SECTION 6346-3. Application for a license shall state fully the name or names, and address, of the person or corporation, and of every member of the firm, partnership, or association authorized to do business thereunder, and the location of the office or place of business in which the business is conducted; and in the case of a corporation, shall also state the date and place of its incorporation, the name and address of its manager for the period for which the license is issued, and the names and addresses of its directors for the period for which the license is issued, and the name and address of the agent as provided in section 6346-2 of this act. Such license shall be kept posted in a conspicuous place in the office where the business is trans-

acted. No person, firm, partnership, corporation or association so licensed, shall transact or solicit business under any other name. Not more than one office or place of business shall be maintained under the same license. But in case of removal, the superintendent of banks, may, on application, endorse thereon a transfer to the new place of business, with the date of transfer, and from the time of such endorsement, the new place so designated shall be deemed the place designated in the license.

SECTION 6346-4. The superintendent of banks shall, either personally, or by such person or persons as he may appoint for the purpose, at least once a year, and oftener, if he deems it advisable, investigate the business and affairs of every such licensee, and for that purpose shall have free access to the vaults, books and papers thereof, and other sources of information with regard to the business of such licensee and whether it has been transacted in accordance with this act. Said superintendent of banks, and every examiner appointed by him, shall have authority to examine, under oath or affirmation, any person whose testimony may relate to the business of any such licensee or alleged violator herein.

Annual investigation of business of licensee.

SECTION 6346-5. No such licensee or licensees shall make a loan or purchase or furnish guaranty, or security, as hereinbefore provided at a greater total charge, including interest, than three per cent per month; except that on loans that do not exceed fifty dollars in amount, in whatever manner made payable, an inspection fee of not to exceed one dollar may be collected at the time the loan is made, when such loan is made for a period of not less than four months; and such inspection fee shall not be imposed upon the same borrower for any new or additional loan made within four months after such charge has been imposed. Said three per cent per month shall not be paid in advance and shall be computed on unpaid monthly balances, without compounding interest or charges. No bonus, fees, expenses, or demands of any nature whatsoever, other than said inspection fee and said total charge of three per cent per month (which shall include interest) as hereinbefore provided, shall be made, paid, or received, directly or indirectly, for such loans, purchases or furnishing guaranty or security, wage assignments or advancements except court costs upon the actual foreclosure of the security or upon the entry of judgment. Nothing in this act shall apply to pawn brokers who obtain a municipal license as provided in sections 6337 to 6346, inclusive, of the General Code or to national banks or to state banks or any person, partnership, association or corporation whose business now comes under the supervision of the superintendent of banks. No charge or fee shall be made unless the loan is actually made. A copy of this section shall be furnished each borrower at the time the loan is made.

Maximum charge allowed including interest; inspection fee.

Persons to whom act does not apply.

Statement and receipt shall be given borrower or pledger.

SECTION 6346-6. Every person, firm, partnership, corporation or association licensed as herein provided, shall give to the assignor, borrower, or pledger, a statement upon which shall be written in ink, typewritten or printed, the name of the licensee making such loan or purchase, name of the assignor, borrower or pledger, the amount of the loan, the rate or amount of interest charged, the date when the loan is made, and the date when payable; and shall also give the assignor, borrower, or pledger, a receipt for each payment of principal or interest.

Procedure in valid assignment of wages or earnings.

SECTION 6346-7. No assignment of any salary, wages or earnings, or any part thereof given to secure a loan shall be valid unless the same shall be in writing, signed in person by the person making the same; and if such person is married and living with husband or wife, signed also by the husband or wife of such person, as the case may be. Nor shall any such assignment be valid unless the same shall be in writing and made to secure a debt contracted simultaneously with the execution of such assignment, with all blank spaces therein filled in with ink or typewriting, together with the date, names of the assignor and assignee, the amount for which such assignment is made, together with the rate of interest charged.

Term assignment defined; assignment of future wages.

The term assignment as used in this section shall include every instrument purporting to transfer an interest in or any authority to collect the wages, salary or earnings of such person. Any assignment of wages, salary or earnings, made in accordance with the provisions of this section shall bind the wages, salary or earnings earned or to be earned by the assignor until the loan secured by such assignment and interest thereon is fully paid, but no assignment or conveyance of wages, salary or earnings to be earned in the future given to secure a loan shall be binding for a sum in excess of fifty per cent of the amount due or to become due the person making such assignment.

Priority of assignment, how obtained.

In order to obtain a priority of any such assignment over any other assignment, the holder thereof, shall deposit a true copy with the recorder of the county where the person making such assignment, if a resident of the state, resides, or if not a resident of the state, then with the recorder of the county where such assignment is made, together with a sworn statement by the holder, his agent, or attorney, of the amount due, and the rate of interest charged. All such assignments shall be filed and preserved by the recorder as provided in section 8562 of the General Code. When so deposited, any such assignment shall have priority over any other assignment subsequently deposited as herein provided.

Void after one year unless re-filed.

Every such assignment so filed shall be void as against other assignments to creditors of the person making it after the expiration of one year from the filing thereof, unless within thirty days next preceding the expiration of said period of one year a true copy thereof, together with

a sworn statement by the holder thereof, his agent or attorney, of the amount then due and rate of interest charged is re-filed with the county recorder as herein provided.

A sworn copy of such assignment so filed together with a statement of the amount due filed with any employer of the assignor shall bind not exceeding fifty per cent of any salary, wages or earnings due or to become due such assignor from the time the same is filed with such employer until any such loan and interest is fully paid and discharged.

Sworn copy of assignment and statement, filed with employer.

SECTION 6346-8. Any person, firm, partnership, corporation or association, and any agent, officer or employee thereof, violating any provision of this act, shall for the first offense be fined not less than fifty dollars nor more than two hundred dollars and for a second offense not less than two hundred nor more than five hundred dollars, and imprisoned for not more than six months. The superintendent of banks upon such second conviction shall revoke any license theretofore issued to such person, firm, partnership, corporation or association. Any instruments taken in connection with the transaction upon which the conviction is made, shall be illegal, void and of no effect, and it shall then be the duty of the superintendent of banks to so notify the borrower in writing. Any charge of interest paid in excess of that provided herein may be recovered by the payor in an action at law.

Penalty for violation.

Instrument void upon conviction; recovery of excess interest.

SECTION 6346-9. The superintendent of banks shall enforce the provisions of this act, make all reasonable effort to discover alleged violators, notify the proper prosecuting officer whenever he has reasonable grounds to believe that a violation has occurred, act as complainant in the prosecution thereof, aid such officers to the best of his ability in such prosecution, and make a separate report to the governor at the end of each fiscal year. The superintendent of banks shall employ the assistant or assistants necessary, in his judgment, to make the investigation and inspection provided for in this act.

Enforcement of law; report to governor.

SECTION 6346-10. Any licensee, or licensees, who holds a license under the provisions of sections 6346-1, 6346-2, 6346-3, 6346-4, 6346-5, 6346-6 and 6346-7, of the General Code, inclusive, which has not yet expired, and who shall present his license for cancellation to the superintendent of banks herein, shall receive therefor a credit in the amount of ten dollars, and the superintendent of banks shall credit the same upon the license herein.

Credit to licensee on presentation and cancellation of license.

SECTION 2. Should any section or provisions of this act be decided by the courts to be unconstitutional or invalid, the same shall not affect the validity of the act as a whole or any part thereof, other than the part so decided to be unconstitutional. (106 v. 281.)

BLUE SKY LAW.

Const. Art. XIII, Sec. 2.

Corporations may be formed under general laws; but all such laws may, from time to time, be altered or repealed. Corporations may be classified and there may be conferred upon proper boards, commissioners or officers, such supervisory and regulatory powers over these organizations, business and issue and sale of stocks and securities, and over the business and sale of the stocks and securities of foreign corporations and joint stock companies in this state, as may be prescribed by law. Laws may be passed regulating the sale and conveyance of other personal property, whether owned by a corporation, joint stock company or individual.

Who must be
licensed.

SECTION 6373-1. Except as otherwise provided in this act, no dealer shall, within this state, dispose or offer to dispose of any stock, stock certificates, bonds, debentures, collateral trust certificates or other similar instruments (all hereinafter termed "securities") evidencing title to or interest in property, issued or executed by any private or quasi-public corporation, co-partnership or association (except corporations not for profit,) or by any taxing subdivision of any other state, territory, province or foreign government, without first being licensed so to do as hereinafter provided.

Securities
defined.

SECTION 6373-2. The term "securities", as used in this act, shall not be deemed to include conveyances of real estate; or, where the same have not been judicially declared invalid; and where, at the time of such sale, there is no default in payment of any part of the interest or principal of the same:

1. Mortgage bonds and notes (other than corporate bonds where more than fifty per cent of the entire issue is not included in a sale to one purchaser) secured by a bona fide mortgage on real estate;

2. Securities of quasi-public corporations, the issuance of which has been authorized by the public service commission of this state;

3. The stock or obligation of any national bank, or of any bank, trust company or building and loan association, organized under the laws of this state and subject to examination and supervision by the proper authorities thereof.

Dealer
defined.

The term "dealer", as used in this act, shall be deemed to include any person or company, except national banks, disposing or offering to dispose, of any such security, through agents or otherwise, and any company engaged in the marketing or flotation of its own securities either directly or through agents or underwriters or any stock promotion scheme whatsoever, except:

Who are not
dealers.

a. An owner, not the issuer of the security, who disposes of his own property, for his own account; when such disposal is not made in the course of repeated and successive transactions of a similar character by such owner; or a natural person, other than the underwriter of the se-

curity, who is the bona fide owner of the security and disposes of his own property for his own account;

b. One, who in a trust capacity created by any law of the United States or of this or any other state or by judicial authority, lawfully disposes of any property embraced within such trust;

c. A bank or trust company, organized under the laws of this state and subject to examination and supervision by the proper authority thereof, selling a security for a licensee, other than the issuer or underwriter thereof, at a commission of not more than two per cent, where such bank or trust company is not a regular dealer in securities;

d. One, not the issuer, who disposes of securities to a licensee under this act or to a company which, as a part of its regular business, deals in or holds such securities;

e. A pledgee selling, in the ordinary course of business, a security pledged to him as security for debt in good faith and not for the purpose of avoiding the provisions of this act;

f. The issuer, organized under the laws of this state, where the disposal, in good faith and not for the purpose of avoiding the provisions of this act, is made for the sole account of the issuer, without any commission and at a total expense of not more than two per centum of the proceeds realized therefrom plus five hundred dollars and where no part of the issue to be disposed of is issued, directly or indirectly, in payment for patents, services, good will, or for property not located in this state; provided that the president and secretary, or the incorporators if done before organization, of the issuer shall, prior to such disposal, file with the "commissioner" a written statement setting forth the existence of all such facts and that such issuer is formed for the purpose of doing business within this state.

As used in this act, the term "company" shall include any corporation, co-partnership or association, incorporated or unincorporated, and whenever and wherever organized; "dispose of" shall be construed to mean "sell, barter, pledge or assign for a valuable consideration or obtain subscriptions for"; "issuer", the original issuer of the security; and, where the context demands it, words in the present tense include the future tense; in the masculine gender include the feminine and neuter gender; in the singular number include the plural, and in the plural, the singular number; the word "whoever" includes all persons, natural and artificial, principals, agents and employees; "and" may be read "or", and "or" "and".

SECTION 6373-3. Before such license shall be issued to any dealer, there shall be filed by him with the superintendent of banks, herein termed the "commissioner", together with a filing fee of five dollars, an application for such license, together with information in such form as shall be determined by such "commissioner", setting forth:

\$5 filing fee
to accompany
application.

Names and
addresses.

a. The names and addresses of the directors and officers if such applicant be a corporation or association, and of all partners if it be a partnership, and of the person if the applicant be an individual, together with the names and addresses of all agents of such applicant assisting in the disposal of such securities;

Location.

b. Location of the applicant's principal office and of his principal office in the state, if any;

Business to
be conducted
under this
license.

c. The general plan and character of the business of said applicant, together with references, which the "commissioner" shall confirm by such investigation as he may deem necessary, establishing the good repute in business of such applicant, directors, officers, partners and agents;

Foreign cor-
porations to
furnish copy
of articles.

If the applicant be a corporation organized under the laws of any other state, territory or government, or have its principal place of business therein, it shall also file a copy of its articles of incorporation, certified by the proper officer of such state, territory or government, and of its regulations and by-laws; and if it be an unincorporated association, a certified copy of its articles of association, or deed of settlement.

The applicant at the same time shall also file with said "commissioner" a duly executed written instrument, irrevocable, consenting that any action brought against such applicant, arising out of and founded upon the fraudulent disposal of such securities by him or his agents, may be brought in Franklin county, and that, in the event that proper service of process cannot be had upon such applicant in such county, service of process made therein by the sheriff of such county, by sending a copy thereof by registered mail, at least thirty days prior to taking judgment in such case, addressed to such applicant at the place of his principal office named in his application or such other place as the applicant may thereafter designate in writing filed with the "commissioner", shall have the same effect as if personally made upon the applicant, according to the laws of this state.

Applicant must
publish notice
of application.

SECTION 6373-4. Notice of all applications for registration as a licensed dealer in such securities shall be published in a daily newspaper of general circulation in the city where the applicant's principal place of business in the state is located, or in the city of Columbus, if the applicant has no such place of business in the state, and no such application shall be acted on by the "commissioner" until the expiration of one week from the date of such publication, but shall be acted upon within twenty days after proof of such application has been filed with him. If the "commissioner" be satisfied of the good repute in business of such applicant and named agents, he shall, upon the payment of an annual fee of fifty dollars, and an additional fee of five dollars for each agent named in the application, register the applicant as a licensed dealer in such securities, and issue to him a license, containing the name of the applicant and

Annual fee \$50.

Agent's fee \$5.

all such agents, renewable annually upon payment of such annual fee, unless revoked as herein provided. The expense of all publications provided for in this act shall be paid by the applicant for license. Pending a final disposition of such application the "commissioner" may grant temporary permission to such applicant to transact business as a dealer under this act. All such renewals shall be made as of the first day of January in each calendar year upon proper application therefor, filed not less than twenty nor more than sixty days next preceding such date.

Renewable annually.

May grant temporary permit.

Renewals must be made on or before January first.

SECTION 6373-5. Such license shall be taken out at the beginning of each calendar year, but it may be issued at any time for the remainder of such year, and in such case the annual fee shall be reduced four dollars for each expired month but in no case shall it be less than ten dollars. Upon the payment of a fee of five dollars for each specified agent not named in such license the same may at any time be amended or supplemented to include such agent. Upon the written request of such applicant, accompanied by a fee of two dollars, such license shall be revoked as to any agent or agents of such applicant, and an amended license shall thereupon be issued for such applicant and his remaining agents; and thereafter the applicant shall not be bound by the acts of the agent whose license has been revoked. Notice of such amendments shall also be published as aforesaid.

License may be taken out for remainder of year.

Minimum fee \$10.

Additional agents.

Revocation of agency.

SECTION 6373-6. Such "commissioner" may at any time revoke any such license, or refuse to renew the same, upon ascertaining that the licensee:

License to be revoked when.

- a. Is of bad business repute;
- b. Has violated any provision of this act; or
- c. Has engaged, or is about to engage, under favor of such license, in illegitimate business or in fraudulent transactions.

No dealer whose license has been revoked shall be relicensed within six months from the date of such revocation.

The "commissioner" shall at once lay before the prosecuting attorney of the proper county any evidence which shall come to his knowledge of criminality under this act.

SECTION 6373-7. At least five days before revoking or refusing to grant or renew, a license, the "commissioner" shall send by registered mail to the licensee, at the address named in the application written notice of his intention so to do, specifying therein the reasons for such revocation or refusal.

Notice of revocation.

SECTION 6373-8. Any one whose license shall be refused or revoked, or to whom a renewal of license may be denied, may file, within thirty days thereafter, in the court of common pleas of Franklin county, a petition against the "commissioner", officially, as defendant, alleging therein, in brief detail, the plaintiff's qualifications to

Petition for reversal of commissioner's ruling.

be licensed and praying for a reversal of the official action complained of. Upon service of summons upon said defendant, returnable within three days from its date, but otherwise made as in civil actions, he shall, within one week from such return day, file an answer, in which he shall allege by way of defense the grounds previously assigned in his notice to such applicant or licensee, and such other grounds as shall, in the meantime, accrue or be discovered. All allegations of the answer shall be deemed to stand denied without further pleading and, upon application of either party, the cause shall be advanced and heard without delay. Merely technical irregularities in the procedure of such "commissioner" shall be disregarded and the burden shall rest upon the plaintiff to disprove the grounds assigned and specified in the official action complained of. The court's decision shall consult only the rights of the plaintiff and the protection of the public and the "commissioner" shall prosecute no proceedings to obtain a reversal, modification or vacation of a judgment rendered in favor of the plaintiff and in such event, shall forthwith issue the license applied for. A judgment sustaining the refusal of the "commissioner" to grant or renew a license shall not bar, after thirty days, a new application by plaintiff for a license, nor shall a judgment in favor of the plaintiff prevent such "commissioner" from thereafter revoking such license for any proper cause which may thereafter accrue or be discovered.

Court's decision final.

Must file statement of condition of issuer.

SECTION 6373-9. Before such licensee shall dispose of any such securities, within this state, he shall file with such "commissioner", in such form as shall be determined by him, the following information concerning such securities: If issued by any company,

(a) The name, location of principal office of the issuer and the names of its officers and directors, or if a co-partnership, the partners;

(b) A statement of the issuer, showing, in general detail, the assets and liabilities, and capital stock of the issuer, as of a date as late as the close of its last fiscal year, and of its gross income, expenses and fixed charges, for one year last prior thereto, or for such time as the issuer has been in business, if less than one year;

(c) A pertinent description of such securities, and the purpose of said issue, and

(d) Unless the foregoing information be executed under the provisions of the following section, the approximate price at which the licensee purposes to dispose of such securities.

If the securities be of a taxing subdivision of any other state, territory, province or foreign government, and are not an obligation of the entire taxing subdivision and payable out of the proceeds of a general tax, there shall be filed the information required by paragraphs (c) and (d) of this section and, in addition thereto, a statement of the

licensee, setting forth the nature of the obligation of such securities, how payment of the same is secured and that, to the best of his knowledge, there is no default in the payment of any part of the interest or principal of such securities and are no adjudications adversely affecting, or pending suits questioning the validity of the same.

SECTION 6373-10. The information required in the preceding section need not be filed:

Statement
of condition
of issuer need
not be filed,
when.

(a) Unless required by the "commissioner", if the same has been filed by any other licensee; or

(b) If actual current sales of the securities, at prices quoted, shall have been, from time to time, for not less than six months next preceding such disposal, published in the regular market reports of the news columns of a daily newspaper of general circulation in this state; or

(c) Where there is a disposal of securities, the price paid or consideration rendered for which, in a single transaction, by one disposee, shall amount to five thousand dollars or more; or

(d) Where the securities disposed of are those of manufacturing or transportation companies, or of common carriers or other public utilities, issued and outstanding in the hands of bona fide purchasers for value, prior to March 1st, 1914, where such companies were, on said date, and shall be, at the time of sale, actual going concerns, either directly or through lessees, and where there shall be at the time of sale no default in payment of any part of the interest or principal of such securities; or

(e) Where the information required, other than the approximate selling price, is contained in any standard manual of information, approved by such "commissioner"; or

(f) Where the disposal is made for a commission of less than one percentum of the par value thereof, by a licensee who is a member of a regularly organized and recognized stock exchange and who has an established and lawfully conducted place of business in this state, regularly open for public patronage as such.

SECTION 6373-11. Every dealer, before or at the time of circulating the same, shall furnish to the "commissioner" one copy of each prospectus, circular or other document of like nature and of each advertisement, circulated by him in connection with the sale of any securities concerning which information is required to be filed under the provisions of sections 6373-9 and 6373-10 of the General Code.

Circulars, etc.,
to be filed.

SECTION 6373-12. No person or company shall, for the purpose of organizing or promoting any insurance company, or of assisting in the flotation of its stock after organization, dispose or offer to dispose, within this state, of any such stock, unless the contract of subscription or disposal shall be in writing, and contain a provision substantially in the following language:

Insurance
companies.

"No sum shall be used for commission, promotion and organization expenses on account of any share of stock in this company in excess ofper cent of the amount actually paid upon separate subscriptions, or in lieu thereof there may be inserted, '\$..... per share from every fully paid subscription', and the remainder of such payment shall be invested as authorized by the law governing such company and held by the organizers (or trustees as the case may be) and the directors and officers of such company after organization, as bailees for the subscriber, to be used only in the conduct of the business of such company after having been licensed and authorized therefor by proper authority."

Expense not
to exceed 15%.

The amount of such commission, promotion and organization expenses shall in no case exceed fifteen per cent. of the amount actually received upon the subscription.

Funds and securities held by such organizers, trustees, directors or officers, as bailees, shall be deposited with a bank or trust company of this state or invested as provided in sections ninety-five hundred and eighteen and ninety-five hundred and nineteen of the General Code, until such company has been licensed as aforesaid.

Liability of one
who counsels
or advises the
purchase with-
out disclosing
agency.

SECTION 6373-13. Whoever, with intent to secure financial gain to himself, advises and procures any person to purchase any security and receive for such advice or services any commission or reward from the owner or salesman thereof, without disclosing to the purchaser the fact of his agency or his interest in such sale shall be liable to such purchaser for the amount of his damage thereby, upon tender of such security to, and suit brought against, such adviser, within one year subsequent to such purchase.

Statement of
information
to be filed
by issuer.

SECTION 6373-14. For the purpose of organizing or promoting any company, or assisting in the flotation of the securities of any company after organization, no issuer or underwriter of such securities and no person or company for or on behalf of such issuer or underwriter shall, within this state, dispose or attempt to dispose of any such security until such commissioner shall issue his certificate as provided in section 6373-16 of the General Code,, which shall not be done until, together with a filing fee of five dollars there be filed with the commissioner the application of such issuer or underwriter for the certificate provided for in section 6373-16, General Code, and, in addition to the other information hereinbefore required by paragraphs (a), (b), (c), and (d) of section 6373-9 of the General Code, the following:

Five dollar
filing fee.

(a) A certified copy of the articles of incorporation or association of the issuer, its regulations and by-laws;

(b) Certified copies of all minutes of stockholders and directors relative to the issue of such securities;

(c) A sworn statement made by the president and secretary of the issuer, showing in detail the items of cash,

property, services, patents, good will and any other consideration for which such securities have been or are to be issued in payment;

(d) Like certified copies of all contracts or agreements between the issuer and any underwriter of such securities, and, if disposed of by the issuer, all contracts and agreements relative to the sale and disposition thereof; and any such contracts or agreements made subsequent thereto shall be filed immediately upon the execution thereof;

(e) All contracts made between such underwriter and any salesman, agent or broker.

This section shall not apply where the issuance of the securities has been approved by the public service commission or like body of any state of the United States or any province of the Dominion of Canada, or where the sale is made by or on behalf of an underwriter who, in good faith and not for the purpose of avoiding the provisions of this act, purchases the securities so afterward sold by him and pays therefore, in cash or its equivalent, before attempting to sell the same, not less than ninety per centum of the price at which such securities are thereafter sold by him; nor where the securities are those of a common carrier or of a company organized under the laws of this state and engaged principally in the business of manufacturing, transportation, coal-mining or quarrying, and the whole or a part of the property upon which such securities are predicated is located within this state; nor of a real estate or building company all of whose property, upon which such securities are predicated, is located in this state; nor in the case of an issuer excepted under paragraph (f) of section 6373-2, General Code; nor in cases where the filing of information is dispensed with under the provisions of paragraphs (b), (d), (e) or (f) of section 6373-10, General Code.

Does not apply to certain issuers.

The information required by paragraphs (d) and (e) of this section shall be for the information of the commissioner only, and shall not be disclosed by him except when lawfully required in a judicial proceeding.

SECTION 6373-15. No person or company, unless licensed in the manner and under the conditions applicable thereto hereinbefore provided for dealers, shall, within this state deal in real estate not located in Ohio of which he is not the actual and bona fide owner and unless the "commissioner" shall issue his certificate as provided in the following section, and prior to such issuance there shall, together with a filing fee of five dollars, be filed with the "commissioner" an application for such certificate, and a written statement of the applicant containing a pertinent description of the real estate the sale of all or a part of which is sought to be made, the nature and source of the title of the owner thereto, and the amount or value and the nature of the consideration paid or allowed by him therefor, it shall, within this state, be unlawful.

Licensed dealer only may deal in foreign real estate.

Filing fee \$5.

(a) For any corporation, association or co-partnership doing business under any name other than the name or names of such person or of all the members of such association or co-partnership to sell any real estate not located in Ohio.

(b) For any person or company engaged in the business of dealing in real estate to sell or offer for sale any such real estate, the title to which is or is represented to the purchaser to be in the name of a corporation or unincorporated company, or of a person doing business under a fictitious name.

Exceptions.

Immigration
bureau exempt.

This section shall apply where the title to such property is held in the name of a trustee for any corporation or for any such described person or company; but it shall not be deemed to prohibit the disposal by an owner of his own property, in good faith and not for the purpose of avoiding the provisions of this act, where the transaction is not one of repeated transactions of a similar nature, performed as a part of the business of dealing in real estate; nor shall it be deemed to prohibit a railroad company having an immigration bureau or department from advertising either directly or through its accredited representatives, the fact that there are along its route lands for colonization or sale; provided that such advertising be not of specific tracts of real estate,, and not for the purpose of avoiding the provisions of this act.

Examination;
expense thereof
and itemized
statement.

Ten dollar
fee.

Certificate to
be issued or
refused within
thirty days.

SECTION 6373-16. Said commissioner shall have power to make such examination of the issuer of the securities, or of the property named in the two next preceding sections, at any time, both before and after the issuance of the certificate hereinafter provided for, as he may deem advisable. When in the discretion of the commissioner all or any part of the expense of such examination should be paid by the applicant for such certificate, such applicant shall deposit with the commissioner such sum of money as the commissioner may order, out of which said sum the commissioner shall pay that portion of the expense of such examination as the commissioner determines said applicant should pay. The commissioner shall render to the applicant an itemized statement of the expenditure and a proper record thereof shall be kept. And if it shall appear that the law has been complied with and that the business of the applicant is not fraudulently conducted, and that the proposed disposal of such securities or other property is not on grossly unfair terms, and that the issuer or vendor is solvent, upon the payment of a fee of ten dollars, the commissioner shall issue his certificate to that effect, authorizing such disposal. But if it shall not affirmatively so appear he shall so notify the applicant, in writing, and of his refusal to issue such certificate. Such certificate shall be issued or refused within a reasonable time after the filing of the application therefor, which shall be within not more than 30 days from and after the applicant or certificate

holder whose certificate has been revoked has fully complied with all requirements of this act precedent thereto; provided, that the commissioner may at any time revoke any such certificate issued by him when he has reason to believe that the business of the holder thereof is being fraudulently conducted, or that such securities or other property are being disposed of upon grossly unfair terms, or, in the case of securities that the issuer thereof is insolvent. Such applicant shall have the same right of review of such finding as is given to a dealer by section 6373-8. The fee provided for in this section shall not be required of an applicant who is licensed as a dealer. (106 v. 360.)

Right of
review.

SECTION 6373-17. Such certificate shall recite in bold type that the "commissioner" in no wise recommends such securities or other property; and no person or company shall advertise, in connection with the sale of such securities, the fact that such certificate has been issued unless such advertisement also contains in bold type a copy of such recital. (103 v. 743.)

Commissioner
in no wise
recommends
securities
certificated.

SECTION 6373-18. In addition to the liability now imposed by law, any person or company that, by written or printed circular, prospectus, statement or advertisement of any kind, shall offer for subscription or purchase any security, or receive the profits accruing from the disposal of securities so advertised, shall be liable to any person who, on the faith of such advertisement or document, acquires such security, for the loss or damage sustained by him by reason of any untrue statement contained therein, unless such person or company shall establish that he or it had no knowledge or notice of the publication of such advertisement prior to the transaction complained of, or had just and reasonable grounds to believe the statements thereof to be true. Wherever any corporation shall be so liable, the directors thereof shall also be, under like limitations, jointly and severally liable. Any such director, upon the payment of a judgment so obtained against him, shall be subrogated to the rights of the plaintiff against such corporation and shall have the right of contribution for the payment of such judgment, under like limitations, against any of his fellow directors. Lack of reasonable diligence to ascertain the fact of such publication or the falsity of any statement therein contained, shall be deemed to be knowledge of such publication and of the falsity of any untrue statement thereof. Any action brought against such director, based upon the liability hereby imposed, shall be brought within two years after the acquisition of the security by any person so damaged or after payment of the judgment for which contribution is sought. (103 v. 743.)

Additional
liability.

If issuer
be an in-
surance com-
pany, must
apply to in-
surance
department
for certifi-
cate in sec-
tion 16.

SECTION 6373-19. If the issues of such securities be a company incorporated, organized or formed to make any insurance named in subdivisions I and II, division III, title IX of the General Code, the "commissioner", for all the purposes named in sections 14 and 16 of this act, shall be the superintendent of insurance of this state. In addition to the powers given to, and the duties prescribed to be performed by, such "commissioner", under said sections, the superintendent of insurance shall have, over any such company disposing or attempting to dispose of any of its securities within this state, the powers of regulation, supervision and examination conferred on him by law, with reference to companies licensed to transact the business of insurance within this state. (103 v. 743.)

Penalty
for false
statement,
etc.

SECTION 6373-20. Whoever knowingly makes any false statement of fact in any statement or matter of information required by this act to be filed with the "commissioner", or in any advertisement, prospectus, letter, circular or other document, containing an offer to dispose or solicitation to purchase, or commendatory matter concerning, such securities or real estate; with intent to aid in the disposal of the same, or whoever knowingly violates any of the provisions of sections 12, 14 or 15 of this act, or for the purpose of aiding in the disposal of any security or real estate, knowingly makes any false statement or representation concerning any license or certificate issued under the provisions hereof, shall be fined not less than one hundred dollars nor more than five thousand dollars, or imprisoned in the penitentiary not more than one year, or both; and whoever violates any of the other provisions of this act shall be fined not less than fifty dollars nor more than one thousand dollars, or imprisoned in the county jail or workhouse not more than sixty days, or both. (103 v. 743.)

Accused
presumed
to have
knowledge.

SECTION 6373-21. In any prosecution brought under this act, the accused shall be deemed to have had knowledge of any matter of fact where, in the exercise of reasonable diligence, he should, prior to the commission of the offense complained of, have secured such knowledge. Information and indictments under this act need not negative any of the exceptions enumerated in sections two, ten and fourteen hereof. (103 v. 743.)

Act does
not limit
other lia-
bility.

SECTION 6373-22. Nothing herein contained shall limit or diminish the liability of any person or company now imposed by law, or prevent the prosecution of any person or company violating any of the provisions of this act, for the violation of any other statute or of any other provision hereof. (103 v. 743.)

SECTION 6373-23. Nothing herein contained shall be so construed as to impair the obligation of prior contracts. (103 v. 743.)

SECTION 6373-24. The superintendent of banks, as "commissioner" under this act, is hereby authorized to appoint an assistant commissioner and such clerks as are actually necessary to carry out the provisions of this act and to fix their salaries; such appointments and salaries to be subject to the approval of the governor. Subject to the supervision of such "commissioner", the assistant commissioner may perform all the duties imposed upon, and have all the powers granted to, such "commissioner" under the provisions of this act. All fees received hereunder by the "commissioner" shall be deposited by him with the treasurer of state upon the warrant of the auditor of state. (104 v. 118.)

Fees paid into
state treasury.

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